### CASH FLOW STATEMENT
FOR THE FIRST QUARTER ENDED DECEMBER 31, 2014
(UNAUDITED)

<table>
<thead>
<tr>
<th>1st Quarter</th>
<th>1st Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 2014</td>
<td>December 2013</td>
</tr>
<tr>
<td>(Rs. lacs)</td>
<td>(Rs. lacs)</td>
</tr>
</tbody>
</table>

#### CASH FLOWS FROM OPERATING ACTIVITIES

- Loss before taxation
- Adjustments for:
  - Depreciation
  - Finance cost
  - Gain on amortization of investment

#### Operating cash flows before working capital changes

#### Change in working capital (increase/decrease in current assets:
- Stocks, spares and house tools
- Trade receivables
- Loans and advances
- Prepayments and other receivables

#### Increase/(Decrease) in current liabilities:
- Trade and other payables

#### Cash generated from operating activities

#### CASH FLOWS FROM INVESTING ACTIVITIES

- Purchase of property, plant and equipment
- Long term deposits

#### CASH FLOWS FROM FINANCING ACTIVITIES

- Repayment of long term finance
- Repayment of short term finance
- Net cash used in financing activities

#### Net increase/(decrease) in cash and cash equivalents

#### Cash and cash equivalents at the beginning of the period

#### Cash and cash equivalents at the end of the period

### STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED DECEMBER 31, 2014
(UNAUDITED)

<table>
<thead>
<tr>
<th></th>
<th>Balance as at October 1, 2013</th>
<th>Equity subscribed &amp; paid-up capital</th>
<th>Accumulated Loss</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Rs. lacs)</td>
<td>(Rs. lacs)</td>
<td>(Rs. lacs)</td>
<td>(Rs. lacs)</td>
</tr>
<tr>
<td>Balance as at October 1, 2013</td>
<td>221,808.80</td>
<td>(346,283.58)</td>
<td>(124,474.78)</td>
<td>0.00</td>
</tr>
<tr>
<td>Total comprehensive loss</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Net loss for the period</td>
<td>(184,620.06)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Other comprehensive income</td>
<td>17,390.93</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as at September 30, 2014</td>
<td>221,808.80</td>
<td>(346,283.58)</td>
<td>(124,474.78)</td>
<td>0.00</td>
</tr>
<tr>
<td>Balance as at October 1, 2014</td>
<td>221,808.80</td>
<td>(346,283.58)</td>
<td>(124,474.78)</td>
<td>0.00</td>
</tr>
<tr>
<td>Total comprehensive loss</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Net loss for the period</td>
<td>(69,454.196)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Other comprehensive income</td>
<td>24,706.33</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as at December 31, 2014</td>
<td>221,808.80</td>
<td>(346,283.58)</td>
<td>(124,474.78)</td>
<td>0.00</td>
</tr>
</tbody>
</table>

The amounts stated in this financial statement form a part of these financial statements.

### NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2014

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(32)/SE/2001 dated November 05, 2001, with reference to SRO No. 764/1/2001.

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, 2014.

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

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**Dinshaw H. Anklesaria**
Chief Executive/Director
Dated: January 31, 2015

**Syed Arif Hussain**
Director
Dated: January 31, 2015

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**Dinshaw H. Anklesaria**
Chief Executive/Director
Dated: January 31, 2015

**Syed Arif Hussain**
Director
Dated: January 31, 2015

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**SAKRAND SUGAR MILLS LIMITED**
1ST QUARTER UNAUDITED ACCOUNTS
December 31, 2014
COMPANY PROFILE

BOARD OF DIRECTORS
Mr. Dinhsar H. Anklesaria Chief Executive/ Director
Mr. Jami Alikeri Director
Sayed Abdul Hussain Director
Mr. Abid Naorem Qureshi Director
Mr. Navjot Mehta Director
Mrs. Fatima Galandari Director
Dr. Jambulal H. Anklesaria Director

AUDIT COMMITTEE
Mr. Abid Naorem Qureshi Chairman
Mr. Jami Alikeri Member
Mr. Navjot Mehta Member
Mrs. Fatima Galandari Member

BHI & COMMITTEE
Sayed Abdul Hussain Chairman
Mr. Jami Alikeri Member
Mr. Navjot Mehta Member

CHIEF FINANCIAL OFFICER
Mr. Farhang Badar

COMPANY SECRETARY
Mr. Mohit Kanani

BANKERS
Allied Bank Limited
Habib Bank Limited
MCB Bank Limited
National Bank of Pakistan
Sindh Bank Limited
Summit Bank Limited
United Bank Limited

AUDITORS
M/s. Haroon Zakhria & Co. Chartered Accountants

LEGAL ADVISOR
Abid Naorem Qureshi, Adv.

REGISTRAR
M/s Evolution Factor (Private) Limited

REGISTRED OFFICE
Fax: (021) 70784560
www.sakranand.com

FACTORY
Dhr Thar, Umar Talaka Saldan,
District Shabaz Benazirabad, Sindh.

DIRECTORS’ REPORT

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 first quarter ended December 31, 2014.

The financial results show an operating loss of Rs. 61.397 million and pre-tax loss of Rs. 69.454 million as compared to operating loss of Rs.190.83 million and pre-tax loss of Rs.116.01 million of the corresponding year 2013-14.

OPERATING RESULTS

2014-15
2013-14
Season started
05-Dec-14
01-Nov-13
Sugarcane crushed
Tonnes
133,503
315,971
Sugarcane produced
Tonnes
12,015
25,955
Sugar recovery
% 9,345
8,604
Molasses produced
Tonnes
5,461
3,207

The mill started crushing on December 05, 2014 and till closing date of quarter i.e. December 31, 2014, total crushing was 133,503 M.T. producing 12,015 M.T. of sugar with an average recovery of 9.345% as compared to previous year’s crushing of 315,971 M.T. producing 25,955 M.T. of sugar with an average recovery of 8.840%.

Current season - 2014-15 started with lot of controversies, as Sind Government unilaterally fixed the sugarcane price as Rs.182-40 kg which was unanimously rejected by most of the sugar mills who demanded to fix the minimum price at Rs.155/kg. This increase would result in increase in basic raw material of the product. The Government of Sind promised to fix the minimum sugarcane price at Rs.155/kg which was further confirmed by notification No.142/2014 S.O (Ext)-95-XXII dated 05-12-2014. But just after six (06) days this notification was withdrawn 09-12-2014 and replaced the first notification dated 07-11-2014 and fixed the sugarcane support price for the season 2014/15 at Rs.182-40/kg plus premium. The majority of sugar mills decided to file the petition before the Hon'ble Supreme Court of Pakistan and up till now is waiting for the decision and as this case in litigation in which we have purchased and recorded the cost of sugar cane on 155/kg.

This year, the country is expected to cross the 5.5 million tonne mark in sugar production by keeping in view the good sugarcane crop. The government is however supporting the industry by allowing export of 650,000 M.T. however, due to the depressed international market the industry is not showing eagerness in this venture. Besides heavy losses of the company and all the hardships facing by the industry the management of the company is doing their best efforts to keep smooth operations of the company and to keep going the company.