



Shakarganj
Limited

Company That
BELIEVES
in you!



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VISION, MISSION & CORE VALUES

- To gain and maintain leadership in our relevant sectors by producing the best quality products at the lowest possible cost
- To give the best returns to our shareholders by optimal allocation of resources to the products and markets we compete in
- To provide the best value products and services to our customers through investment in technology, human resources, operational systems, and processes
- To provide the best working environment to our employees and provide them opportunities to enhance their skills
- To work with our farmers, suppliers, and distributors as partners in developing their expertise and profitability
- To pursue environment friendly policies, and effectively and efficiently use all energy resources aiming for zero waste and a clean healthy environment
- To be a socially responsible corporate citizen supporting education, health, environment, and socio economic development of its community

COMPANY INFORMATION

Board of Directors

| | |
|---|-----------------------|
| 1. Chairman (Non-Executive) | Muhammad Anwar |
| 2. Chief Executive Officer | Anjum Muhammad Saleem |
| In alphabetic order: | |
| 3. Executive Director | Ali Altaf Saleem |
| 4. Non-Executive Director | Hajerah Ahsan Saleem |
| 5. Non-Executive Director | Khalid Bashir |
| 6. Non-Executive Director (Independent) | Khawaja Jalaluddin |
| 7. Non-Executive Director | Muhammad Arshad |
| 8. Non-Executive Director (Independent) | Sheikh Asim Rafiq |

Audit Committee

| | |
|----------|----------------------------------|
| Chairman | Khalid Bashir |
| Member | Hajerah Ahsan Saleem |
| Member | Khawaja Jalaluddin (Independent) |
| Member | Sheikh Asim Rafiq (Independent) |

Human Resource & Remuneration Committee

| | |
|----------|-----------------------|
| Chairman | Muhammad Anwar |
| Member | Anjum Muhammad Saleem |
| Member | Khalid Bashir |

Chief Financial Officer

Muhammad Asif

Company Secretary

Asif Ali

Management Committees

Executive Committee

| | |
|----------|------------------------|
| Chairman | Anjum Muhammad Saleem |
| | Ali Altaf Saleem |
| | Muhammad Pervez Akhtar |

Business Strategy Committee

| | |
|----------|------------------------|
| Chairman | Anjum Muhammad Saleem |
| | Ali Altaf Saleem |
| | Muhammad Pervez Akhtar |
| | Muhammad Asif |
| | Manzoor Hussain Malik |

System & Technology Committee

| | |
|----------|------------------------|
| Chairman | Muhammad Pervez Akhtar |
| | Muhammad Asif |
| | Ibrahim Ahmad Cheema |

SHAREHOLDERS' INFORMATION

Stock Exchange Listing

Shakarganj Limited is a listed company and its shares are traded on the Pakistan Stock Exchange. Daily quotes on the Company's stock can be obtained from leading newspapers. Shakarganj is listed under 'Sugar & Allied Industries'

Public Information

Financial analysts, Stock brokers, interested investors and financial media desiring information about "Shakarganj" should contact Mr. Asif Ali at the Company's Office, Jhang. Tel: (047) 763 1001 - 05 Fax: (047) 763 1011 E-mail: info@shakarganj.com.pk

Shareholders' Information

Inquiries concerning lost stock certificates, dividend payment, change of address, verification of transfer deeds and share transfers should be directed to CorpTec Associates (Pvt) Limited, Share Registrar of the Company at Lahore. Tel: (042) 3517 0336 - 7 Fax: (042) 3517 0338 E-mail: info@corptec.com.pk

Products

- Sugar
- Biofuel
- Yarn
- Tiger Compost

Legal Advisor

Saad Rasool Law Associates
Hassan & Hassan Advocates

Auditors

Riaz Ahmad & Company
Chartered Accountants

Bankers

MCB Bank Limited
National Bank of Pakistan
Bank Islami Pakistan Limited

Works

Principal Facility

Management House
Toba Road, Jhang, Pakistan
Tel: (047) 763 1001 - 05
Fax: (047) 763 1011
E-mail: info@shakarganj.com.pk

Satellite Facility

Management House
63 km, Jhang Sargodha Road
Bhone, Pakistan
Tel: (048) 688 9211 - 13
Fax: (047) 763 1011

Website

www.shakarganj.com.pk
Note: This Report is available on Shakarganj website.

Registered and Principal Office

Executive Floor, IT Tower, 73 E 1
Hali Road, Gulberg III, Lahore, Pakistan
UAN: (042) 111 111 765
Tel: (042) 3578 3801-06
Fax: (042) 3578 3811

Karachi Office

12th Floor, Sidco Avenue Centre,
264 R.A. Lines, Karachi, Pakistan
Tel: (021) 3568 8149
Fax: (021) 3568 0476

Faisalabad Office

Nishatabad, New Lahore Road,
Faisalabad, Pakistan
Tel: (041) 875 2810
Fax: (041) 875 2811

Share Registrar

CorpTec Associates (Pvt) Limited
503-E, Johar Town
Lahore
Tel: (042) 3517 0336 - 7
Fax: (042) 3517 0338
E-mail: info@corptec.com.pk

COMPANY PROFILE AND GROUP STRUCTURE

Shakarganj Limited was incorporated in Pakistan in 1967 as a Public Limited Company and is listed on the Pakistan Stock Exchange. Shakarganj is a leading manufacturer of food products, biofuel, as well as textiles. We transform renewable crops such as sugarcane and cotton into value added products including refined sugar, biofuel and textiles etc. Our registered office is in Lahore with regional offices in Faisalabad and Karachi.

Shakarganj Limited, through its strategic shareholding in Shakarganj Food Products Limited, is also active in production of dairy and fruit products.

Sugar Business:

We have two manufacturing facilities, which are both located in District Jhang. We produce different types of sugar comprising pharmaceutical, beverage and commercial grades sugar as well as soft brown sugar, castor and icing sugar, sugar cubes, sachets and retail packs. Our combined crushing capacity is of 20,000 Tons of Cane per Day (TCD) which is extendable to 32,000 TCD.

Biofuel Business:

We have six distillation plants of which three are located at our Jhang facility and the remaining three are located at our Bhone facility where various grades of biofuel are produced. Our products include Rectified Ethanol (REN) for industrial and food grades, Anhydrous Ethanol for fuel grade, and Extra Neutral Alcohol (ENA) for pharmaceutical and perfume grades. The combined capacity of our distilleries is 350,000 litres per day.

Textile Business:

This cotton spinning unit produces carded cotton and PC yarn ranging from 10/s to 33/s and doubled yarn ranging from 8 to 40 TPI. The installed capacity is 24,960 spindles for cotton spinning and 2,304 spindles for doubling.

Farming & Allied Business:

This comprises different parcels of land mainly located in Jhang District near our manufacturing facilities. Total area under

cultivation is 1,285 acres which is our owned land. The main crops include sugarcane, wheat, gram, maize, fodder and seasonal vegetables. A dairy farm located at Jhang has been developed, with a herd of 179 milking and fattening cattle. A small herd of rams and bucks for fattening purpose has also been developed. Shakarganj has also launched a new product in the area of non chemicals fertilizers under the brand name of "Shakarganj Tiger Compost". The product as organic fertilizer has been developed using aerobic decomposition process with addition of standardised microbial culture in filter cake. The compost is a rich source of organic matter, with macro and micro nutrients to help improve soil and it is very useful for better growth, yield and quality of all field crops in general and specifically for sugarcane. This is at its initial stage and would grow up in the farmer's community with the practical exposures.

Business Vision and Strategy:

Shakarganj's vision is to create the country's leading renewable ingredients business. We aim to achieve this by building a consistent portfolio of distinctive, profitable, high-value solutions in products and services for our customers. Shakarganj is committed to providing long-term value for our shareholders. Our strategy is to build a stronger value added business with a low-cost commodity base. We focus on five key business objectives to deliver consistent growth.

- Serve our Customers:

Delivering excellent customer service is at the core of everything we do. Our aim is to be the partner of choice in our customers' processes and to help them develop more successful consumer products.

- Operate Efficiently and Safely:

We aim to be the lowest-cost and most efficient producer in all our markets. Through our expertise in high-volume process management, our focus is on technical and manufacturing excellence and the efficient use of services such as logistics and utilities. We are continually working to improve operational efficiency and strive to ensure safe and healthy conditions for everyone at our sites.

- Invest in Long Term Assets and Partnerships:

We continually evaluate investment opportunities that would add strategic value by enabling us to enter new markets or add products, technologies and knowledge more efficiently than we could originally. We also aim to grow our business by forming joint ventures and partnerships to enhance the capabilities of our existing product portfolio. Using alliances and joint ventures can be an efficient way to lower our cost of investing in new areas and markets, and will help secure access to new and complementary technology and expertise.

- Invest in Technology and People:

We are investing in our research and development capabilities to help us in developing innovative solutions that meet our customers' product challenges. We are also complementing our own capabilities through business and technology partnerships, and university collaborations. To develop talent, improve leadership and help our employees succeed, we operate various Programmes designed to ensure the right skills at all levels to grow our business.

- Grow the Contribution from Value Added Products:

We are committed to grow the contribution from our value added products. Value added products utilise technology and intellectual property enabling us to obtain a price premium along with sustainable and/or higher margins.

shakarganj®

FOOD PRODUCTS LIMITED

SFPL comprises of three divisions – Dairy, Juice and Pulp & Concentrates. The Dairy and Juice division uses Tetra Pak packages to deliver UHT dairy and beverage products to the local market. The Pulp & Concentrate division produces fruit pulps, concentrates and purees for sale in both the Pakistan and International market. Our aim is to supply premium quality food products to our customers and become one of the leading food companies in Pakistan.

DAIRY & JUICE DIVISION

Shakarganj entered into the dairy business in 2006 with the introduction of its brand “good milk”. Since then it has expanded with a diverse product portfolio in both the dairy and beverage category including UHT white milk, flavoured milk as well as a wide range of juices and nectars. The company has been able to leverage the Shakarganj name in the farming community to establish its milk collection network thereby developing a strong, sustainable and shared value based supply chain for the business function. The company sells its products throughout the country via a nationwide distribution network.

DAIRY & JUICE PLANT

- Processing and packaging plant located at Jaranwala.
- Machinery from internationally renowned companies such as Tetra Pak.
- Well-equipped, state of the art of laboratory and testing facility at the plant run by a team of technically skilled and experienced staff.
- Research facility for new product development.
- International and domestic quality certifications: HACCP, PSQCA, PFA and HILAL

MILK PROCUREMENT NETWORK

- Well established network of milk collection centers at prime locations in Pakistan.
- Collection centres run by highly skilled and experienced staff members.

- Quality procurement ensured by well-equipped laboratory and advanced testing facility.
- Advisory services provided by technical team to facilitate higher yield and enhanced milk quality to support the farming community

PULP & CONCENTRATE DIVISION

Shakarganj has significant capabilities regarding the production of fruit pulps and purees. It is one of the leading manufacturers in Pakistan and has a significant volume of exports to Europe, the Middle East, Africa and Far East. Our manufacturing and processing facility is located in the heart of the agricultural and fruit producing region of Pakistan; giving our customers an advantage in terms of product freshness, continuity of fruit supply and reduced ‘time to market’.

- Plant is located at Chiniot.
- Two processing lines for production of juice concentrates, puree and pulps.
- Product storage facilities consist of both, a refrigerated and frozen setup.
- Technically skilled and experienced manpower.
- Well-equipped laboratory and testing facilities ensure effective quality assurance according to international standards.
- International quality certifications: Food Safety System Certification 22000 and HACCP.

DIRECTORS' REVIEW

I am pleased to present you the un-audited condensed interim financial statements of the Company for the first quarter ended 31 December 2019.

Financial and Operational Performance:

Summary of operating performance:

This year Shakarganj started its crushing campaign more than one month earlier i.e. 25 November 2019 comparing the start of 30 December 2018 in last season. Significant improvement in crushing figures is witnessed as the Company had crushed 316,885 MT of sugarcane compared to 4,179 MT of sugarcane in the corresponding period. However, Growers were reluctant to sell sugarcane at official rate of Rs. 190 per 40 kg and wanted more price than fixed by Punjab Government, which resulted in price war. Subsequent to 31 December, Punjab Sugar Mills Association had announced closure of mills for more than one week due to non-availability of the sugarcane at fixed price. Keeping in view all these challenges still we are hopeful for improvements in crushing quantitatively and to maintain sugar recovery.

Our distilleries operations could not be started during Q1 due to non-availability of molasses at viable price. Operational days of distilleries were only 12 as compared to 46 days in the corresponding period. In spite of setbacks in our core businesses, the Company posted an overall after tax profit of Rs. 170.43 million as compared to after tax loss of Rs. 68.21 million in Q1FY2019. In view of recent improvements in quantitative crushing as well as selling price of sugar, we hope that your Company would be able to perform better in remaining part of the season.

Business Segments:

Sugar Division:

Our Sugar Division crushed 316,885 MT of sugarcane and produced 25,720 MT of sugar at an average recovery of 8.61 percent. High cost of sugarcane compared to sugar selling prices affecting the crushing campaign in the middle of the season. Due to delayed start in last year, the production of sugar was still in start-up phase on 31 December 2018 when the Company was able to crush only 4,179 MT of sugarcane.

Biofuel Division:

Last year, Shakarganj was compelled to close its biofuel plants due to high raw material cost. Biofuel plants have started production in current season, however, export would be started within couple of weeks and we are hopeful that by covering-up liquidity problems, sufficient raw material would be managed at feasible cost. During the period under review, this division produced 0.55 million litres as compared to 5.70 million litres in the corresponding period last year.

Textile Division:

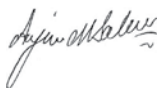
Yarn production at our Textile Division was 915,456 kg in the period under review, in comparison to 914,322 kg in Q1FY2019. Although yarn prices are expected to increase in line with raw material costs, the loss of production due to irregular supply of electricity as well as significant increase in electricity rates are both hampering the productivity and bottom line profitability of this division. However, textile business is expected to bailout from the present hardship being faced, by improving electricity supply to the manufacturing operation and better marketing of yarn to achieve rationale in revenue.

Outlook:

Sugar business outlook is expected with some vital challenges and as predicted in our last review, sugarcane crop is lower than target. Since the price of sugar has been improving so price war for sugarcane procurement by millers is also expected in remaining part of the season. Future outlook of our distilleries operations depends on continuous availability of good quality molasses. Right now cost of raw material has increased significantly, however, the management was trying to add maximum quantity of molasses at feasible cost to create margins for positive bottom line and we would try our level best to achieve better results in this segment in future. We feel that production targets may be met with the improved selling prices as well as with some cost control measures. The Textile Division performance may be improved if the margin remains available.

We would like to thank all stakeholders for their patronage and looking forward for their support.

On behalf of the Board



Anjum Muhammad Saleem
Chief Executive Officer



Ali Altaf Saleem
Director

Date: 27 January 2020

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 December 2019 (Un-audited)

| | Note | 31 December 2019 (Un-audited) (Rupees in thousand) | 30 September 2019 (Audited) |
|--|------|---|-----------------------------------|
| EQUITY AND LIABILITIES | | | |
| Share capital and reserves | | | |
| Authorized capital | | | |
| 150,000,000 (30 September 2019: 150,000,000) ordinary shares of Rs. 10 each | | 1,500,000 | 1,500,000 |
| 50,000,000 (30 September 2019: 50,000,000) preference shares of Rs. 10 each | | 500,000 | 500,000 |
| | | <u>2,000,000</u> | <u>2,000,000</u> |
| Issued, subscribed and paid up capital | | | |
| 125,000,000 (30 September 2019: 125,000,000) ordinary shares of Rs 10 each | | 1,250,000 | 1,250,000 |
| Reserves | | 2,214,893 | 2,212,727 |
| Accumulated losses | | (1,714,120) | (1,959,787) |
| Surplus on revaluation of property, plant and equipment - net of tax | | 6,281,626 | 6,356,860 |
| | | <u>8,032,398</u> | <u>7,859,800</u> |
| Non-current liabilities | | | |
| Long term finances | 7 | 66,250 | 128,291 |
| Deferred taxation | | 1,173,529 | 1,192,536 |
| | | <u>1,239,779</u> | <u>1,320,827</u> |
| Current liabilities | | | |
| Current portion of long term liabilities | | 298,953 | 256,453 |
| Short term borrowings | 8 | 1,620,912 | 1,804,077 |
| Trade and other payables | | 2,269,255 | 2,028,140 |
| Unclaimed dividend | | 1,969 | 2,039 |
| Accrued finance cost | | 61,695 | 79,647 |
| | | <u>4,252,784</u> | <u>4,170,356</u> |
| Contingencies and commitments | | | |
| | 9 | <u>13,524,962</u> | <u>13,350,983</u> |

The annexed notes 1 to 22 form an integral part of this condensed interim financial statements.


Chief Executive


Director


Chief Financial Officer

| | Note | 31 December 2019 (Un-audited) (Rupees in thousand) | 30 September 2019 (Audited) |
|---|------|---|-----------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 10 | 10,121,693 | 10,253,780 |
| Intangible assets | | - | - |
| Biological assets | | 14,793 | 17,017 |
| Investments - related parties | 11 | 1,870,598 | 2,015,124 |
| Employees' retirement benefits | | 38,996 | 38,996 |
| Long term loans, advances and deposits | | 34,001 | 34,001 |
| | | 12,080,081 | 12,358,918 |
| Current assets | | | |
| Biological assets | | 19,770 | 29,299 |
| Stores, spare parts and loose tools | | 93,044 | 63,691 |
| Stock-in-trade | 12 | 722,899 | 576,860 |
| Trade debts | | 30,550 | 35,078 |
| Loans, advances, deposits, prepayments and other receivables | | 418,632 | 203,435 |
| Cash and bank balances | 13 | 159,986 | 83,702 |
| | | 1,444,881 | 992,065 |
| | | 13,524,962 | 13,350,983 |


Chief Executive


Director


Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

For the First Quarter Ended 31 December 2019 (Un-Audited)

| | Note | 31 December 2019 (Rupees in thousand) | 31 December 2018 |
|---|-----------|---|---------------------|
| Sales - net | 14.1 | 2,112,176 | 1,482,220 |
| Cost of sales | 14.2 | (2,267,372) | (1,412,663) |
| Gross (loss) /profit | | (155,196) | 69,557 |
| Administrative expenses | | (76,842) | (71,101) |
| Selling expenses | | (1,898) | (9,293) |
| Other expenses | | (35,945) | (23,933) |
| Other income | 15 | 686,366 | 9,960 |
| Profit / (loss) from operations | | 416,485 | (24,810) |
| Finance cost | | (86,997) | (73,229) |
| Share of (loss) / profit from equity accounted investee | | (204,321) | 59,880 |
| Profit / (loss) before taxation | | 125,167 | (38,159) |
| Taxation | | | |
| - Company | | (12,363) | 5,495 |
| - Equity accounted investment | | 57,629 | (35,544) |
| | | 45,266 | (30,049) |
| Profit / (loss) for the period | | 170,433 | (68,208) |
| Profit / (loss) per share - basic and diluted | Rupees 17 | 1.36 | (0.55) |

The annexed notes 1 to 22 form an integral part of this condensed interim financial statements.


Chief Executive


Director


Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the First Quarter Ended 31 December 2019 (Un-Audited)

| | 31 December 2019 (Rupees in thousand) | 31 December 2018 |
|--|---|---------------------|
| Profit / (loss) for the period | 170,433 | (68,208) |
| Other comprehensive income for the period | | |
| <u>Items that may be reclassified to profit or loss:</u> | | |
| Fair value loss on investment classified as available for sale | - | (3,773) |
| <u>Items that will not be reclassified to profit or loss account:</u> | | |
| Fair value gain on Investment classified as FVOCI | 2,166 | - |
| Total comprehensive income / (loss) for the period | <u>172,599</u> | <u>(71,981)</u> |

The annexed notes 1 to 22 form an integral part of this condensed interim financial statements.


Chief Executive


Director


Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the First Quarter Ended 31 December 2019 (Un-Audited)

| | Note | 31 December 2019 (Rupees in thousand) | 31 December 2018 |
|---|------|---|---------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 18 | 410,078 | 279,143 |
| Finance cost paid | | (104,949) | (59,567) |
| Taxes paid | | (16,291) | (15,279) |
| Net cash generated from operating activities | | 288,838 | 204,297 |
| Cash flows from investing activities | | | |
| Fixed capital expenditure | | (9,791) | (40,064) |
| Proceeds from sale of property, plant and equipment | | - | 6,703 |
| Dividends received | | - | 180 |
| Income from bank deposits received | | 13 | 53 |
| Net cash used in investing activities | | (9,778) | (33,128) |
| Cash flows from financing activities | | | |
| Repayment of long term finances | | (19,541) | (39,081) |
| Short term borrowings - net | | (183,165) | (66,206) |
| Dividend paid | | (70) | (56) |
| Net cash used in financing activities | | (202,776) | (105,343) |
| Net Increase in cash and cash equivalents | | 76,284 | 65,826 |
| Cash and cash equivalents at beginning of the period | | 83,702 | 28,271 |
| Cash and cash equivalents at end of the period | 13 | 159,986 | 94,097 |

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.


Chief Executive


Director


Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the First Quarter Ended 31 December 2019 (Un-Audited)

| | CAPITAL RESERVE | | | | REVENUE RESERVE | | | | (Rupees in thousand) | | |
|---|-----------------|---------------|--|--------------------|---|---|---------|-----------------------|----------------------|---|--------------------|
| | Share Capital | Share Premium | Share in Capital Reserves of Equity Accounted Investment | Fair Value Reserve | Difference of Capital Under Scheme of Arrangement of Merger | Surplus on revaluation on property, plant and machinery | General | Dividend Equalization | | Equity Investment Market Value Equalization | Accumulated losses |
| Balance as at 01 October 2018 | 1250000 | 1,056,373 | 469,980 | (2,147) | 155,930 | 6,825,404 | 410,606 | 22,700 | 83,000 | (158,837) | 8,682,872 |
| Total comprehensive income for the period ended 31 December 2018 | | | | | | | | | | | |
| Loss for the period | | | | | | | | | | | (68,208) |
| Other comprehensive income for the period: | | | | | | | | | | | |
| Fair value loss on 'Available for sale' investments | | | | (3,773) | | | | | | | (3,773) |
| Surplus transferred to accumulated losses on account of: - disposal of property, plant and equipment - net on tax - incremental depreciation on property, plant and equipment - net of deferred tax | | | | | | (2,797) (80,636) | | | | | 2,797 80,636 |
| | | | | | | (83,333) | | | | | (83,333) |
| Balance as on 31 December 2018 | | | | (3,773) | | (83,333) | | | | | 15,125 |
| | 1250000 | 1,056,373 | 469,980 | (5,920) | 155,930 | 6,742,071 | 410,606 | 22,700 | 83,000 | (157,349) | 8,610,891 |
| Balance at 01 October 2019 | 1250000 | 1,056,373 | 497,429 | (13,311) | 155,930 | 6,356,860 | 410,606 | 22,700 | 83,000 | (199,978) | 7,859,800 |
| Total comprehensive income for the period ended 31 December 2019 | | | | | | | | | | | |
| Profit for the period | | | | | | | | | | | 170,433 |
| Other comprehensive income for the period | | | | 2,166 | | | | | | | 2,166 |
| Fair value gain classified as FVOCI | | | | | | | | | | | |
| Surplus transferred to accumulated losses on account of: - incremental depreciation on property, plant and equipment - net of deferred tax | | | | | | (75,234) (75,234) | | | | | 75,234 75,234 |
| | | | | | | (75,234) | | | | | (75,234) |
| Balance as on 31 December 2019 | 1250000 | 1,056,373 | 497,429 | (11,145) | 155,930 | 6,281,626 | 410,606 | 22,700 | 83,000 | (714,120) | 8,032,398 |

The annexed notes 1 to 22 form an integral part of this condensed interim financial statements.


Anwar Hossain
Chief Executive


Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the First Quarter Ended 31 December 2019 (Un-Audited)

1. Reporting entity information

- 1.1 Shakarganj Limited ("the Company") was incorporated in Pakistan and is listed on Pakistan Stock Exchange. It is principally engaged in manufacture, purchase and sale of sugar, biofuel and yarn (textile). The Company has its principal manufacturing facilities at Jhang and satellite manufacturing facilities at Bhone. The registered office of the Company is situated at E-floor, IT tower, 73-E/1, Hali Road, Gulberg-III, Lahore.

| Business Unit | Location |
|---------------|---|
| - Jhang Unit | Toba tek singh road, Jhang -35200 Pakistan. |
| - Bhone Unit | 63 km Jhang - Sargodha road, Bhone -35200 Pakistan. |

2. Basis of preparation

2.1 Statement of compliance

- 2.1.1 These condensed interim financial statements comprise the condensed interim statement of financial position of the Company as at 31 December 2019 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 together with the notes forming part thereof for the period from 01 October 2019 to 31 December 2019.

- 2.1.2 These condensed interim financial statements has 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 (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan 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 or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.1.3 These condensed interim financial statements do not include all of the statements required for full annual financial statements and should be read in conjunction with the annual financial statements for the year ended 30 September 2019.

- 2.1.4 Corresponding statement of financial position numbers are extracted from the annual audited financial statements of the Company for the year ended 30 September 2019, whereas corresponding figures of profit or loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim financial statements of the Company for the first quarter ended 31 December 2018.

2.1.5 These condensed interim financial statements are unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of Pakistan Stock Exchange Limited.

3. Statement of consistency in accounting policies

3.1 The accounting policies and the methods of computation adopted in the preparation of the condensed interim financial statements are same as those applied in the preparation of the audited financial statements for the year ended 30 September 2019 except for change in accounting policy as disclosed in note 3.1.

4. Estimates

The preparation of condensed interim financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

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 that applied to the financial statements for the year ended 30 September 2019.

5. Seasonality of operations

Due to seasonal nature of sugar segment, operating results are expected to fluctuate in the remaining nine months of the year than the first three months.

6. Taxation

The provision for taxation for the period ended 31 December 2019 has been made on an estimated basis.

7. Long term finances

Long term loans - secured

Interest bearing

- NBP Restructured
- NBP Medium Term
- First Credit Investment Bank

Less: transferred to current maturity
- Long term loans - secured

| Note | 31 December 2019 (Un-audited) (Rupees in thousand) | 30 September 2019 (Audited) |
|------|---|-----------------------------------|
| | | |
| 71 | 97,703 | 117,244 |
| 72 | 200,000 | 200,000 |
| 73 | 67,500 | 67,500 |
| | 365,203 | 384,744 |
| | (298,953) | (256,453) |
| | 66,250 | 128,291 |

- 7.1 This represents a restructured loan from National Bank of Pakistan having an aggregate amount of Rs. 312.5 million. The term of the loan is 5 years (inclusive of 1 year grace period) and the principal repayment to take place in 16 equal-quarterly installments of Rs 19.54 million. Mark-up is payable quarterly at a rate of monthly KIBOR + 1.00% BPS per annum. This loan is secured against first pari passu charge over entire present and future fixed assets of the Company and personal guarantees of the directors of the Company.
- 7.2 This represents a medium term loan from National Bank of Pakistan having an aggregate amount of Rs. 300 million out of which Rs. 250 million were disbursed till 31 December 2019. However due to devaluation of the shares pledged with the bank as a security against this facility, a payment of Rs. 50 million was made by the Company during the last year resulting in decrease of principal outstanding to Rs. 200 million. Term of the loan is three years including one year of grace period and the principal repayment to take place in equal quarterly installments of Rs. 31.25 million each starting from October 2019. Markup is payable quarterly at a rate of three month KIBOR + 3%. This loan is secured against 1st Joint Pari Passu charge of PKR 400 million over present and future fixed assets of the Company, personal guarantees by Mr. Anjum Muhammad Saleem (CEO) and Mr. Ali Altaf Saleem (Director of the Company). The security shall also be secured through pledge of such number of shares of Crescent Steel and Allied Products Limited with 40% margin.
- 7.3 This represents a medium term finance facility from First Credit Investment Bank Limited aggregating to Rs. 100 million out of which Rs. 95 million were disbursed till 31 December 2019. However due to devaluation of the shares pledged with the bank as a security against this facility, a payment of Rs. 27.5 million was made by the Company during the last year resulting in decrease of principal outstanding to Rs. 67.5 million. The term of the loan is three years including eighteen months of grace period and the principal repayments to take place in equal quarterly installments of Rs. 11.25 million each starting from March 2020. Markup is payable quarterly at a rate of three months KIBOR + 3.5%. The loan is secured against pledge of shares from KSE 100 index acceptable to FCIBL at market value with 35% margin, personal guarantees of Mr. Anjum Muhammad Saleem (CEO) and Mr. Ali Altaf Saleem (Director of the Company) and ranking hypothecation charge over present and future assets of the Company with 25% margin excluding land and building.

| | Note | 31 December 2019 (Un-audited) (Rupees in thousand) | 30 September 2019 (Audited) |
|---|------|--|--------------------------------|
| 8. Short term borrowings | | | |
| <i>Secured:</i> | | | |
| - Cash / Running finance | 8.2 | - | 469,000 |
| - Export refinance | 8.3 | 1,160,000 | 900,000 |
| <i>Unsecured:</i> | | | |
| - Short term interest free financing | 8.4 | 460,912 | 435,077 |
| | | <u>1,620,912</u> | <u>1,804,077</u> |
| 8.1 Types of short term borrowings | | | |
| Interest / mark-up based financing | | 1,060,000 | 1,269,000 |
| Islamic mode of financing | | 100,000 | 100,000 |
| Interest free financing | | 460,912 | 435,077 |
| | | <u>1,620,912</u> | <u>1,804,077</u> |

8.2 Cash / Running finances

The Company has arranged this short term finance facility from MCB Bank Limited to meet working capital requirements to the extent of Rs. 1,000 million. This finance was available at a mark-up ranging from 15.39% per annum to 15.66% per annum (30 September 2019: 10.83% to 15.80%) on the outstanding balance or part thereof. Expiry date of this facility is 31 December 2019.

It is secured against stock of sugar located at Bhone premises of the Company and first joint pari passu charge of Rs. 1,000 million over all fixed assets of the Company. However, exposure exceeding Rs. 525 million will be additionally secured by lien over LC's (sight) of minimum "B" rated banks, value equivalent to the utilization of facility.

8.3 Export refinance

The Company has arranged facilities for short term finances to meet working capital requirements from various banks under mark-up arrangements to the extent of Rs. 2,475 million (30 September 2019: Rs. 2,475 million). These finances were available at a mark-up ranging from 3.00% to 16.35% (30 September 2019: 3.00% to 15.47%) on the outstanding balance or part thereof. Expiry date of the finances obtained from Bank Islami Pakistan Limited is 31 August 2020 for MCB Bank Limited 31 December 2019, for and that of National Bank FAPC is 31 December 2019.

The aggregate export finance is secured against lien on export contracts, pledge of stock-in-trade, registered hypothecation charge on property, plant and equipment and current and fixed assets of the Company, first Joint Pari Passu charge over fixed assets of the Company, personal guarantees of CEO and Director and pledge of 55 million shares of Shakarganj Food Products Limited at a price of Rs. 10 / share.

8.4 Short term interest free financing

It represents unsecured short term interest free financing provided by a sugar agent for financing the operations of the Company.

8.5 Unavailed credit facilities

The available facilities as at 31 December 2019 amounting to Rs. 3,000 million (30 September 2019: Rs. 3,000 million) out of which Rs. 1,840 million remained unavailed as at the reporting date (30 September 2019: Rs. 1,631 million).

9. Contingencies and commitments

9.1 Contingencies

- (i) There is no material change in the status of contingencies as set out in note 12.1 to the financial statements of the Company for the year ended 30 September 2019.

9.2 Commitments

The Company has the following commitments in respect of:

- (i) Contracts for acquisition of intangible (computer software) amounting to Rs. 20 million (30 September 2019: Rs. 20 million).
- (ii) Contracts for other than capital expenditures Rs. 1.38 million (30 September 2019: Rs. 0.58 million).

| | Note | 31 December 2019 (Un-audited) (Rupees in thousand) | 30 September 2019 (Audited) |
|--|--------|---|-----------------------------------|
| 10. Property, plant and equipment | | | |
| Operating assets (owned) | 10.1 | 9,986,872 | 10,109,369 |
| Operating assets (leased) | | - | - |
| Capital work-in-progress | 10.2 | 134,821 | 144,411 |
| | | <u>10,121,693</u> | <u>10,253,780</u> |
| 10.1 Operating assets (owned) | | | |
| Opening book value | | 10,109,369 | 10,706,426 |
| Add: Addition | 10.1.1 | 19,382 | 37,731 |
| Transfer from assets subject to finance lease | | - | - |
| Adjustment of revaluation surplus | | - | - |
| | | <u>10,128,751</u> | <u>10,744,157</u> |
| Less Disposal during the period | | - | (19,183) |
| Depreciation charged during the period | | (141,879) | (615,605) |
| | | <u>(141,879)</u> | <u>(634,788)</u> |
| Closing book value | | <u>9,986,872</u> | <u>10,109,369</u> |
| 10.1.1 Addition during the period/year | | | |
| Building on free hold land | | 3,712 | 4,193 |
| Plant and machinery | | 14,268 | 28,097 |
| Tools and equipment | | - | 690 |
| Water electric and weighbridge equipment | | 1,036 | 3,003 |
| Furniture and fixture | | 366 | 532 |
| Office equipment | | - | 400 |
| Vehicles | | - | 816 |
| | | <u>19,382</u> | <u>37,731</u> |
| 10.1.2 The Company basis its valuation of operating assets subject to impairment upon valuation performed by an independent valuation expert. | | | |
| 10.2 Capital work-in-progress | | | |
| Civil works | | - | 3,712 |
| Plant and machinery | | 104,661 | 109,691 |
| | | <u>104,661</u> | <u>113,403</u> |
| Advances given for capital work in progress | 10.2.1 | 30,160 | 31,008 |
| | | <u>134,821</u> | <u>144,411</u> |

| | Note | 31 December 2019 (Un-audited) (Rupees in thousand) | 30 September 2019 (Audited) |
|--|------|---|-----------------------------------|
| 10.2.1 Advances | | | |
| Considered good | | | |
| -Plant & Machinery | | 30,160 | 31,008 |
| | | 30,160 | 31,008 |
| Considered doubtful | | | |
| -Plant and machinery | | 21,664 | 21,664 |
| -Intangibles | | 15,274 | 15,274 |
| | | 36,938 | 36,938 |
| | | 67,098 | 67,946 |
| Less: | | | |
| Provision Of doubtful advances | | (16,584) | (16,584) |
| Impaired Charged | | (20,354) | (20,354) |
| | | 30,160 | 31,008 |
| 11. Investments - related parties | | | |
| In equity instruments of Shakarganj Food Product Limited ("SFPL") | 11.1 | 1,860,622 | 2,007,314 |
| Classified as Fair value through FVOCI | 11.2 | 9,976 | 7,810 |
| | | 1,870,598 | 2,015,124 |
| 11.1 In equity instruments of SFPL | | | |
| Unquoted | | | |
| <i>Shakarganj Food Products Limited</i> | | | |
| 87,785,643 (30 September 2019: 87,785,643) fully paid ordinary shares of Rs. 10 each Equity held: 52.39% (30 September 2019: 52.39%) | 11.1 | 1,860,622 | 2,007,314 |
| 11.1.1 In equity instruments of SFPL | | | |
| Cost | | 590,784 | 590,784 |
| Brought forward amounts of post acquisition reserves | | 1,416,530 | 1,334,007 |
| | | 2,007,314 | 1,924,791 |
| Share of movement in reserves during the period / year | | - | 47,911 |
| Share of (Loss) for the period / year | | | |
| - before taxation | | (204,321) | (23,540) |
| - provision for taxation | | 57,629 | 58,152 |
| | | (146,692) | 34,612 |
| Balance as at period / year end | 11.1 | 1,860,622 | 2,007,314 |

11.1.2 Shakarganj Food Products Limited ("SFPL") is a public unlisted Company incorporated in Pakistan and is principally engaged in the business of manufacturing, processing and sale of food products. The activities of SFPL are largely independent of the Company. The following table summarizes the financial information of SFPL as included in its own financial statements and the Company's share in the results. The table also reconciles the summarized financial information to the carrying amount of the Company's interest in joint venture.

| | 31 December 2019 (Un-audited) | 30 September 2019 (Audited) |
|--|---|-----------------------------------|
| Percentage interest held | 52.39% | 52.39% |
| | 31 December 2019 (Un-audited) (Rupees in thousand) | 30 September 2019 (Audited) |
| Non-current assets | 7,688,839 | 7,753,410 |
| Current assets | 2,921,603 | 3,135,481 |
| Non-current liabilities | (1,745,482) | (2,006,583) |
| Current liabilities | (5,305,662) | (5,048,414) |
| Musharika Financing Equity Portion | (143,835) | (138,430) |
| Net assets (100%) | 3,415,463 | 3,695,464 |
| Company's share of net assets | 1,789,361 | 1,936,053 |
| Excess of purchase consideration over net assets | 71,261 | 71,261 |
| Carrying amount of interest in joint venture | 1,860,622 | 2,007,314 |
| Revenue | 3,674,099 | 16,588,088 |
| (Loss) / profit from operations | (280,000) | 66,066 |
| Other comprehensive income | - | 91,450 |
| Total comprehensive (loss) / income (100%) | (280,000) | 157,516 |
| Company's share of total comprehensive (loss)/ income | (146,692) | 82,523 |

The financial year end of SFPL is also 30 September and above figures are based on unaudited financial statement as of 31 December 2019 adjusted by effect of revaluation surplus incorporated last year.

11.1.3 Investment with face value of Rs. 550 million (30 September 2019: Rs. 550 million) are pledged as security against short term borrowings as referred to in note 8.

11.1.4 Investment in SFPL is treated as joint venture in these financial statements due to joint control over SFPL as a result of the Shareholders' Agreement dated 12 April 2008.

| | Note | 31 December 2019 (Un-audited) (Rupees in thousand) | 30 September 2019 (Audited) |
|--|--------|---|-----------------------------------|
| 11.2 Investment classified as FVOCI / available for sale | | | |
| Associated / related companies | | | |
| <u>Quoted - related party</u> | | | |
| <i>Crescent Steel and Allied Products Limited:</i> | | | |
| 180,000 (30 September 2019: 180,000) fully paid ordinary shares of Rs. 10 each | | 15,921 | 15,921 |
| Equity held: 0.23% (30 September 2019: 0.23%) | | | |
| Market value - Rs. 998 million (30 September 2019: Rs. 7.81 million) | | | |
| <u>Unquoted - associated Company</u> | | | |
| <i>Crescent Standard Telecommunications Limited:</i> | | | |
| 300,000 (30 September 2019: 300,000) fully paid ordinary shares of Rs 10 each | | 3,000 | 3,000 |
| Others | | | |
| <u>Unquoted</u> | | | |
| <i>Crescent Group Services (Private) Limited:</i> | | | |
| 220,000 (30 September 2019: 220,000) fully paid ordinary shares of Rs 10 each | | 2,200 | 2,200 |
| <i>Innovative Investment Bank Limited:</i> | | | |
| 51,351 (30 September 2019: 51,351) fully paid ordinary shares of Rs 10 each | | - | - |
| | | 21,121 | 21,121 |
| Add: Cumulative fair value reserve | 11.2.1 | (5,945) | (8,111) |
| Less: Cumulative impairment losses recognized | | (5,200) | (5,200) |
| Fair value (loss) | | (11,145) | (13,311) |
| | | 9,976 | 7,810 |
| 11.2.1 Cumulative fair value reserve | | | |
| As at 01 October | | (8,111) | (2,147) |
| Fair value adjustment during the period / year | | 2,166 | (5,964) |
| As at period / year end | | (5,945) | (8,111) |

| | Note | 31 December 2019 (Un-audited) (Rupees in thousand) | 30 September 2019 (Audited) |
|-----------------------------------|------|---|-----------------------------------|
| 12. Stock-in-trade | | | |
| Raw materials | | 163,892 | 2,652 |
| Work-in-process | | 127,558 | 20,724 |
| Finished goods | | | |
| -Manufactured | | 431,450 | 269,484 |
| -Trading | | - | 284,000 |
| | | 431,450 | 553,484 |
| | | 722,899 | 576,860 |
| 13. Cash and bank balances | | | |
| <i>At banks on:</i> | | | |
| - Saving accounts | 13.1 | 348 | 52 |
| - Current accounts | 13.2 | 153,691 | 82,259 |
| | | 154,039 | 82,311 |
| In hand | | 5,947 | 1,391 |
| | | 159,986 | 83,702 |

13.1 These carry mark-up at the rates ranging from 8.29% per annum to 10.27% per annum (30 September 2019: 8.25% per annum to 10.25% per annum).

These deposits include Rs. 0.235 million (2019: Rs. 0.035 million) under Shariah compliant arrangements, which carries profit rate ranging from 3.58% to 4.75% per annum (30 September 2019: 3.35% to 4.24% per annum).

13.2 These include balances amounting Rs. 83.591 million (30 September 2019: Rs. 1.70 million) which have been maintained under shariah based arrangements.

| | Segment assets | | Segment liabilities | |
|--|----------------------------------|--------------------------------|----------------------------------|--------------------------------|
| | 31 December 2019 (Un-audited) | 30 September 2019 (Audited) | 31 December 2019 (Un-audited) | 30 September 2019 (Audited) |
| | | | | |
| 14.4 Segment assets and liabilities | | | | |
| Sugar | 7,399,150 | 7,379,763 | 3,734,972 | 3,254,914 |
| Biofuel | 2,303,222 | 2,061,537 | 1,286,736 | 1,798,633 |
| Textile | 454,591 | 464,900 | 199,985 | 184,451 |
| Farms | 824,776 | 833,598 | 14,504 | 13,865 |
| Others | - | - | - | - |
| Unallocated | 2,543,223 | 2,611,185 | 256,368 | 239,320 |
| | 13,524,962 | 13,350,983 | 5,492,564 | 5,491,183 |

| | 31 December 2019 (Un-audited) | 31 December 2018 (Un-audited) |
|--|----------------------------------|----------------------------------|
| | | |
| 15. Other income | | |
| <u>Income from financial assets</u> | | |
| Dividend income | - | 180 |
| Return on bank deposits | 13 | 53 |
| | 13 | 233 |
| <u>Income from non-financial assets</u> | | |
| Scrap sales | 3,661 | 387 |
| Net exchange gain | 4 | - |
| Agricultural income | 811 | 1,080 |
| Profit on sale of property, plant and equipment | - | 2,565 |
| Sale of mud | 12,367 | - |
| Rental income | 2,685 | 4,267 |
| Liabilities written back | 666,521 | - |
| Others | 304 | 1,428 |
| | 686,353 | 9,727 |
| | 686,366 | 9,960 |
| Dividend income is received from the following: | | |
| <i>Related party:</i> | | |
| <i>Crescent Steel and Allied Products Limited</i> | - | 180 |

16. 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.

Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset either directly (that is, derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs (Level 3)

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

| | Carrying amount | | | | Fair value | | | |
|--|---------------------------------|-----------------------------|-----------------------------|-----------|------------|---------|---------|--------|
| | Investments | Trade and other receivables | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| | ----- Rupees in thousands ----- | | | | | | | |
| | 9976 | - | - | 9976 | 9976 | - | - | 7810 |
| | - | 34,563 | - | 34,563 | - | 14,793 | 19,770 | 46,316 |
| | 9976 | 34,563 | - | 44,539 | 9976 | 14,793 | 19,770 | 54,126 |
| | - | 34,001 | - | 34,001 | - | - | - | - |
| | - | 30,550 | - | 30,550 | - | - | - | - |
| | - | 31,833 | - | 31,833 | - | - | - | - |
| | - | 159,986 | - | 159,986 | - | - | - | - |
| | - | 256,370 | - | 256,370 | - | - | - | - |
| | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - |
| | - | - | 365,203 | 365,203 | - | - | - | - |
| | - | - | 16,20,912 | 16,20,912 | - | - | - | - |
| | - | - | 14,28,048 | 14,28,048 | - | - | - | - |
| | - | - | 61,695 | 61,695 | - | - | - | - |
| | - | - | 3,475,858 | 3,475,858 | - | - | - | - |

Note

December 2019

Financial assets - measured at fair value

Investment at FVOCI
Biological assets

Financial assets at amortised cost

Long term deposits
Trade debts
Loans, Advances, deposits, prepayments and other receivables
Cash and Bank balances

13

Financial liabilities - measured at fair value

Financial liabilities measured at amortised cost

Long term loans
Short term borrowings
Trade and other payables
Accrued finance cost

7

8

| | Carrying amount | | Fair value | | | | | |
|--|---------------------------------|-----------------------------|-----------------------------|-----------|---------|---------|---------|--------|
| | Available for sale | Trade and other receivables | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| | ----- Rupees in thousands ----- | | | | | | | |
| 7810 | - | - | - | 7810 | 7810 | - | - | 7810 |
| - | 46,316 | - | - | 46,316 | - | 17,017 | 29,299 | 46,316 |
| 7810 | 46,316 | - | - | 54,126 | 7810 | 17,017 | 29,299 | 54,126 |
| Financial assets at amortised cost | | | | | | | | |
| Long term deposits | - | 34,001 | - | 34,001 | - | - | - | - |
| Trade debts | - | 35,078 | - | 35,078 | - | - | - | - |
| Loans, Advances, deposits, prepayments and other receivables | - | 31,868 | - | 31,868 | - | - | - | - |
| Cash and Bank balances | - | 83,702 | - | 83,702 | - | - | - | - |
| - | 184,649 | - | - | 184,649 | - | - | - | - |
| Financial liabilities - measured at fair value | | | | | | | | |
| Financial liabilities measured at amortised cost | | | | | | | | |
| Long term loans | - | - | 384,744 | 384,744 | - | - | - | - |
| Short term borrowings | - | - | 1804,077 | 1804,077 | - | - | - | - |
| Trade and other payables | - | - | 1,538,269 | 1,538,269 | - | - | - | - |
| Accrued finance cost | - | - | 79,647 | 79,647 | - | - | - | - |
| - | - | - | 3806,737 | 3806,737 | - | - | - | - |

Note

September 2019

Financial assets - measured at fair value

Investment at FVOCI
Biological assets

13

Long term deposits
Trade debts
Loans, Advances, deposits, prepayments and other receivables
Cash and Bank balances

Financial liabilities - measured at fair value

Financial liabilities measured at amortised cost

Long term loans
Short term borrowings
Trade and other payables
Accrued finance cost

7
8

| | | 31 December 2019 | 31 December 2018 |
|--|---------------|---------------------|---------------------|
| 17. Earnings / (loss) per share - basic and diluted | | | |
| <i>i-Profit / (loss) attributable to ordinary share holders:</i> | | | |
| Profit / (loss) for the period | Rupees | 170,432,899 | (68,207,754) |
| <i>ii-Weighted-average number of ordinary shares:</i> | | | |
| Weighted average number of shares | Number | 125,000,000 | 125,000,000 |
| Earnings / (loss) per share | Rupees | 1.36 | (0.55) |

17.1 No figure for diluted earnings per share has been presented as the Company has not issued any instruments carrying options which would have an impact on earnings per share when exercised.

| | | 31 December 2019 (Rupees in thousand) | 31 December 2018 |
|--|--|---|---------------------|
| 18. Cash generated from operating activities | | | |
| Profit / (loss) before taxation | | 125,167 | (38,159) |
| <i>Adjustment for depreciation/amortization of:</i> | | | |
| - property, plant and equipment | | 141,879 | 153,700 |
| Liabilities no longer payable written back | | (666,521) | - |
| Gain on sale of property, plant and equipment | | - | (2,565) |
| Interest from bank deposits | | (13) | (54) |
| Dividend income | | - | (180) |
| Net (income) / loss on biological assets | | (884) | 1,982 |
| Share of loss / (profit) from associates | | 204,321 | (59,880) |
| Finance cost | | 86,997 | 73,229 |
| | | (234,221) | 166,233 |
| Profit / (loss) before working capital changes | | (109,054) | 128,075 |
| Effect on cash flow due to working capital changes: | | | |
| Increase in stores spare parts and loose tools | | (29,353) | (79,467) |
| Decrease (Increase) in stock in trade | | (146,039) | 410,246 |
| Decrease / (Increase) in biological assets - net | | 12,636 | (502) |
| Decrease in trade debts | | 4,528 | (243,675) |
| Decrease / (Increase) in loans, advances, prepayments and other receivables | | (230,275) | 101,133 |
| Increase / (Decrease) in trade and other payables | | 907,636 | (36,666) |
| | | 519,132 | 151,068 |
| Cash generated from operating activities | | 410,078 | 279,143 |

19. Related Party Disclosures

The related parties comprise subsidiaries, associated undertakings, other related group companies, directors of the Company, key management personnel and post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties as follows:

| Name of Party | Nature of transactions | December 2019 (Rupees in thousand) | December 2018 |
|--|---|---------------------------------------|---------------|
| i Associated / Related Undertaking | | | |
| Crescent Steel & Allied Products Limited Associate due to shareholding by CSAPL in SL of 21.93% (2018: 21.93%) | Purchase of goods | 203 | 1,170 |
| | Salary expense and other common | 751 | 698 |
| | Dividend income | - | 180 |
| CS Energy (Division of CSAPL) | Sale of bagasse, water and electricity | 80,415 | - |
| | Purchase of electricity and steam | 86,459 | - |
| | Purchase of goods | 10 | - |
| | Common expenses | 1,571 | 745 |
| | Sale of goods | 4,125 | - |
| Shakarganj Engineering (Division of CSAPL) | Purchase of goods | 896 | - |
| Crescent Hadeed (Division of CSAPL) | Rendering of services | 683 | 185 |
| Premier Insurance Limited Common directorship | Insurance expenses | 2,528 | 2,198 |
| Shakarganj Food Products Limited Common CEO - 52.39% (2018: 52.39%) of shareholding in associate. | Sale of goods | 26,134 | 66,234 |
| | Salary expense and other common expenses | 236 | 524 |
| ii Post employment benefit plans | | | |
| | Expense charged in respect of retirement benefit plans | 6,729 | 5,878 |
| | Transactions with gratuity and pension fund account | | |
| | - Funds received | 206,775 | 228,280 |
| | - Funds repaid | 206,775 | 228,280 |
| | - Markup expense | 17,076 | 10,569 |

20. Date of authorization of issue

This condensed interim financial information was authorized for issue on 27 January 2020 by the board of directors of the Company.

21. Events after the balance sheet date

There are no subsequent events occurring after balance sheet date.

22. Corresponding figures

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison and better presentation as per reporting framework however, no significant re-arrangements have been made.


Chief Executive


Director


Chief Financial Officer

ڈائریکٹرز کا جائزہ

میں 31 دسمبر 2019 کو ختم ہونے والی پہلی سہ ماہی کے لئے کمپنی کی غیر نظر ثانی شدہ منجمد عبوری مالیاتی معلومات بخوشی

پیش کر رہا ہوں

مالی اور آپریشنل کارکردگی:

آپریٹنگ کارکردگی کا خلاصہ:

اس سال شکر گنج نے اپنی کرشنگ مہم کا آغاز ایک ماہ پہلے یعنی 25 نومبر 2019 کو کیا تھا جبکہ گزشتہ سیزن کا آغاز 30 دسمبر 2018 سے کیا تھا۔ کرشنگ کے اعداد و شمار میں نمایاں بہتری دیکھنے میں آرہی ہے کیونکہ کمپنی نے اس عرصے میں 4,179 ٹن گنے کے مقابلہ میں 316,885 ٹن گنے کو کرش کیا ہے۔ تاہم کاٹنگ کارسری نرخ پر گنے کو 190 روپے فی 40 کلوگرام کے حساب سے فروخت کرنے سے گریزاں تھے اور پنجاب حکومت کی جانب سے طے شدہ قیمت سے زیادہ قیمت چاہتے تھے جس کی وجہ سے قیمتوں میں تنازع پیدا ہوا۔ 31 دسمبر کے بعد پنجاب شوگر ملز ایسوسی ایشن نے مقررہ قیمت پر گنے کی عدم فراہمی کی وجہ سے ایک ہفتے سے زیادہ ملز بند رکھنے کا اعلان کیا تھا۔ ان تمام مسائل کو مد نظر رکھتے ہوئے ہم گنے کو زیادہ مقدار میں کچلنے اور چینی کی زیادہ پیداوار کو برقرار رکھنے کے لئے پرامید ہیں۔

ہماری ڈسٹری کا کام Q1 کے دوران مولا سس کی اچھی قیمت پر عدم دستیابی کی وجہ سے شروع نہ ہو سکا۔ اس عرصے میں ڈسٹری کے آپریشنل دن 46 کی بجائے صرف 12 تھے۔ ہمارے بنیادی کاروبار میں گھماٹے کے باوجود کمپنی نے مجموعی طور پر Q1 FY2019 میں ٹیکس کے بعد نقصان 68.21 ملین روپے کے برعکس ٹیکس کے بعد کا منافع 170.43 ملین روپے پوسٹ کیا۔ مقدری کرشنگ اور چینی کی قیمت فروخت میں حالیہ بہتری کے پیش نظر ہم امید کرتے ہیں کہ آپ کی کمپنی سیزن کے باقی حصے میں بہتر کارکردگی کا مظاہرہ کر سکے گی۔

کاروباری شعبہ جات:

شوگر ڈویژن:

ہمارے شوگر ڈویژن نے 316,885 MT گنا کرش کیا اور 8.61 فی صد کی اوسط سے 25,720 ٹن چینی پیدا کی۔ سیزن کے وسط میں چینی کے مقابلے میں گنے کی زیادہ قیمت کی وجہ سے کرشنگ مہم پر اثر ہوا۔ پچھلے سال تاخیر سے شروعات کی وجہ سے چینی کی پیداوار 31 دسمبر 2018 کو اسٹارٹ اپ مرحلے میں تھی جب کمپنی صرف 4,179 ٹن گنے کو کرش کرنے میں کامیاب رہی۔

بائیو فیول ڈویژن:

پچھلے سال شکر گنج خام مال کی بہت زیادہ قیمت کی وجہ سے اپنے بائیو فیول پلانٹس کو بند کرنے پر مجبور تھا، بائیو فیول پلانٹس نے رواں سیزن میں پیداوار شروع کر دی ہے۔ تاہم، برآمد کچھ ہی ہفتوں میں شروع کر دی جائے گی اور ہمیں امید ہے کہ لیکویڈیٹی کے مسائل پر قابو پانے سے مناسب قیمت پر خام مال کا انتظام کیا جائے گا۔ زیر جائزہ مدت کے دوران، اس ڈویژن نے گزشتہ سال کے اسی عرصے میں 5.70 ملین لیٹر کے مقابلے میں 0.55 ملین لیٹر کی پیداوار کی ہے۔

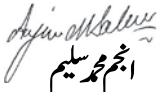
ٹیکسٹائل ڈویژن:


ہمارے ٹیکسٹائل ڈویژن میں یارن کی پیداوار زیر نگرانی مدت میں 915,456 کلوگرام تھی، جبکہ Q1FY2019 میں 914,322 کلوگرام تھی۔ اگرچہ یارن کی قیمتوں میں خام مال کی قیمتوں کے مطابق اضافے کی توقع کی جا رہی ہے، لیکن بجلی کی بے قاعدہ فراہمی اور بجلی کی قیمتوں میں نمایاں اضافے کی وجہ سے پیداوار اور نیچے کے منافع میں رکاوٹ ہے۔ تاہم، ٹیکسٹائل کے کاروبار میں موجودہ مشکلات سے نمٹنے کی توقع کی جا رہی ہے، جس سے ریونیو کو بہتر بنانے کے لئے مینوفیکچرنگ اپریشن کو بجلی کی فراہمی اور یارن کی بہتر مارکیٹنگ میں مدد مل سکے گی۔

نقطہ نظر:

چینی کے کاروباری نقطہ نظر کی توقع کچھ اہم چیلنجوں کے ساتھ کی گئی ہے اور جیسا کہ ہماری آخری جائزہ میں پیش گوئی کی گئی ہے، گنے کی فصل ہدف سے کم ہے۔ چونکہ چینی کی قیمت میں بہتری آ رہی ہے لہذا ملوں کے ذریعے گنے کی خریداری کے لئے قیمت کے تنازع میں اس سیزن کے باقی حصے میں بھی توقع کی جا رہی ہے۔ ہماری ڈسٹری کے آپریشن کا مستقبل اچھے معیار کے مولاسس کی مستقل دستیابی پر منحصر ہے۔ اس وقت خام مال کی قیمت میں نمایاں اضافہ ہوا ہے۔ تاہم، مینجمنٹ اس بات کے لئے کوشاں ہے کہ مولاسس کی زیادہ مقدار اور مناسب قیمت پر فراہمی کو یقینی بنائے اور مستقبل میں ہم اس حصے میں بہتر نتائج حاصل کریں۔ ہمیں لگتا ہے کہ پیداوار کے اہداف کو فروخت کی بہتر قیمتوں کے ساتھ ساتھ قیمت خرید پر قابو پانے کے لئے کچھ اقدامات سے پورا کیا جاسکتا ہے۔ اگر نچلے درجے کا منافع دستیاب رہے تو ٹیکسٹائل ڈویژن کی کارکردگی میں بہتری آسکتی ہے۔ ہم تمام سٹیک ہولڈر کو ان کی سرپرستی اور ان کی حمایت کے منتظر ہونے کے ساتھ شکر یہ ادا کرتے ہیں۔

منجانب بورڈ


انجم محمد سلیم
چیف ایگزیکٹو آفیسر


علی الطاف سلیم
ڈائریکٹر

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Shakarganj Limited

Executive Floor, IT Tower, 73 E 1
Hali Road, Gulberg III, Lahore, Pakistan
Telephone: (042) 111 111 765
Fax: (042) 3578 3811
