



Shakarganj Limited

Management House, Toba Tek Singh Road, Jhang - 35200, Pakistan
Tel: (047) 111 111 765 Fax: (047) 763 1011 URL: <http://www.shakarganj.com.pk>

SML/PSX/ Sep 2022
31 January 2023

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

SUBJECT: FINANCIAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

Dear Sir,

We have to inform you that the Board of Directors of our Company in their meeting held on 31 January 2023 at 11:00 a.m. at Lahore, through video-link, recommended the following:

(i) CASH DIVIDEND

A final Cash Dividend for the year ended **30 September 2022** at Rs. __NIL__ per share i.e. __NIL__%. This is in addition to Interim Dividend(s) already paid at Rs. __NIL__ per share i.e. __NIL__%.

AND/OR

(ii) BONUS SHARES

It has been recommended by the Board of Directors to issue Bonus Shares in the proportion of __NIL__ share(s) for every __NIL__ share(s) held i.e. __NIL__%. This is in addition to the Interim Bonus Shares already issued @ __NIL__%.

AND/OR

(iii) RIGHT SHARES

The Board has recommended to issue __NIL__% Right Shares at par/at a discount/premium of Rs. __NIL__ per share in proportion of __NIL__ share(s) for every __NIL__ share(s). The entitlement of right shares being declared simultaneously will be / will not be applicable on Bonus Shares as declared above.

Principal Office:
Executive Floor, IT Tower, 73 E I
Hali Road, Gulberg III
Lahore - 54600, Pakistan
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Fax: (042) 3578 3811

Faisalabad Office:
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Nishatabad
Faisalabad - 38000, Pakistan
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AND/OR

(iv) ANY OTHER ENTITLEMENT/CORPORATE ACTION

NIL

AND/OR

(v) ANY OTHER PRICE-SENSITIVE INFORMATION

The auditors' review report contains the following observation:

" In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matters discussed in the *Basis for Adverse Opinion* section of our report, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively do not give a true and fair view of state of the Company's affairs as at 30 September 2022 and of the loss, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Adverse Opinion

The Company has suffered loss after taxation of Rupees 225.302 million during the current year and has accumulated losses of Rupees 3,266.419 million as at the reporting date. The current liabilities of the Company exceeded its current assets by Rupees 3,450.495 million. The Company has overdue statutory obligations. The textile segment of the Company remained closed during the whole year. The management of the Company has firmed up a turnaround plan based on disposal of the Bhone Unit of the Company which includes Sugar and Biofuel divisions. However, we noted that certain shareholders of the Company have filed petitions in Sindh High Court, Karachi and Lahore High Court, Lahore and obtained stay on 29 November 2021 and 25 February 2022 respectively from the respective Courts regarding the approval of disposal of certain agricultural land of the Company. As the going concern assumption used in preparation of the financial statements is dependent upon roll out of the aforesaid turnaround plan and whose roll out requires prior approval of shareholders of the Company in their general meeting and such approval of shareholders and disposal of the Bhone Unit is unlikely in current litigation scenario, hence this situation indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not adequately disclose this fact.

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of

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Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion."

However, the Company has prepared its financial statements as a going concern, based on the Turn Around Plan of the Company. The Turn Around Plan is based on the statements provided by the company legal councils that the Stay Orders will be vacated after the hearing is started. The Company plans to sell its Bhone establishment and is hopeful that it will be able to pay off its liabilities during the next FY i.e. 2022-23.

The unconsolidated and consolidated financial results of the Company are attached.

The Annual General Meeting of the Company will be held on Monday, 27 February 2023 at 11:00 a.m, at registered office, Lahore, through video-link.

The Share Transfer Books of the Company will be closed from 20 February 2023 to 27 February 2023 (both days inclusive). Transfers received at the office of Share Registrar of the Company i.e. CorpTec Associates (Pvt.) Limited, 503-E, Johar Town, Lahore, at the close of business on 18 February 2023 will be treated in time for the entitlement to attend the Annual General Meeting of the Company.

The Annual Report of the Company will be transmitted through **PUCARS** atleast 21 days before holding of Annual General Meeting.

Yours Sincerely,


Asif Ali
Company Secretary

Copy to: -

Executive Director/HOD, Offsite-II Department, Supervision Division, SECP, Islamabad.

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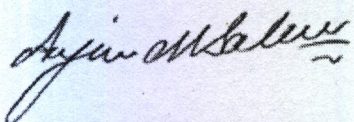
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SHAKARGANJ LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

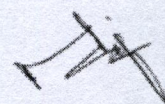
	NOTE	2022 (RUPEES IN THOUSAND)	2021 (RUPEES IN THOUSAND)
REVENUE FROM CONTRACTS WITH CUSTOMERS	23	12,325,570	9,161,763
COST OF SALES	24	(11,954,857)	(9,751,929)
GROSS PROFIT / (LOSS)		<u>370,713</u>	<u>(590,166)</u>
DISTRIBUTION COST	25	(184,194)	(119,449)
ADMINISTRATIVE EXPENSES	26	(378,003)	(365,910)
OTHER EXPENSES	27	(19,817)	(83,754)
OTHER INCOME	28	145,265	204,910
LOSS FROM OPERATIONS		<u>(66,036)</u>	<u>(954,369)</u>
FINANCE COST	29	(336,298)	(275,025)
SHARE OF PROFIT FROM EQUITY ACCOUNTED INVESTEE	14.1	64,196	65,128
LOSS BEFORE TAXATION		<u>(338,138)</u>	<u>(1,164,266)</u>
TAXATION	30	112,836	(223,644)
LOSS AFTER TAXATION		<u><u>(225,302)</u></u>	<u><u>(1,387,910)</u></u>
LOSS PER SHARE - BASIC AND DILUTED (RUPEES)	31	<u><u>(1.80)</u></u>	<u><u>(11.10)</u></u>

The annexed notes form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER

DIRECTOR

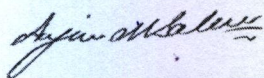


CHIEF FINANCIAL OFFICER

SHAKARGANJ LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

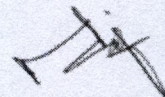
	NOTE	2022 (RUPEES IN THOUSAND)	2021 (RUPEES IN THOUSAND)
REVENUE FROM CONTRACTS WITH CUSTOMERS	29	30,309,676	27,022,450
COST OF SALES	30	(27,470,754)	(25,240,290)
GROSS PROFIT		<u>2,838,922</u>	<u>1,782,160</u>
DISTRIBUTION COST	31	(2,046,023)	(1,712,817)
ADMINISTRATIVE EXPENSES	32	(526,531)	(515,082)
OTHER EXPENSES	33	(35,836)	(115,580)
OTHER INCOME	34	173,495	226,319
PROFIT / (LOSS) FROM OPERATIONS		<u>404,027</u>	<u>(335,000)</u>
FINANCE COST	35	(734,456)	(593,996)
LOSS BEFORE TAXATION		<u>(330,429)</u>	<u>(928,996)</u>
TAXATION	36	176,894	(534,757)
LOSS AFTER TAXATION		<u>(153,535)</u>	<u>(1,463,753)</u>
SHARE OF (LOSS) / PROFIT ATTRIBUTABLE TO:			
EQUITY HOLDERS OF HOLDING COMPANY		(211,873)	(1,522,939)
NON-CONTROLLING INTEREST		58,338	59,186
		<u>(153,535)</u>	<u>(1,463,753)</u>
LOSS PER SHARE - BASIC AND DILUTED (RUPEES)	37	<u>(1.69)</u>	<u>(12.18)</u>

The annexed notes form an integral part of these consolidated financial statements.



CHIEF EXECUTIVE OFFICER

DIRECTOR



CHIEF FINANCIAL OFFICER