



Shakarganj Limited

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

SML/PSX/ Sep 2023

06 February 2024

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

SUBJECT: FINANCIAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

Dear Sir,

We have to inform you that the Board of Directors of our Company in their meeting held on 06 February 2024 at 13:30 Hours at Lahore, through video-link, recommended the following:

(i) CASH DIVIDEND

A final Cash Dividend for the year ended **30 September 2023** 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
Tel: (042) 111 111 765
Fax: (042) 3578 3811

Faisalabad Office:
Chak Jhumra Road
Nishatabad
Faisalabad - 38000, Pakistan
Tel: (041) 875 2810
Fax: (041) 875 2811



Shakarganj Limited

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

AND/OR

(iv) ANY OTHER ENTITLEMENT/CORPORATE ACTION

NIL

AND/OR

(v) ANY OTHER PRICE-SENSITIVE INFORMATION

The auditors' 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 matter as described in the *Basis for Adverse Opinion* section of our report, the statement of financial position, the statement of profit or loss and 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 the state of the Company's affairs as at September 30, 2023 and of the profit or loss, the 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 Rs. 546.219 million during the current year and has accumulated losses of Rs. 2,797.836 million as at the reporting date. The current liabilities of the Company exceeded its current assets by Rs. 3,238.934 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

Principal Office:
Executive Floor, IT Tower, 73 E I
Hali Road, Gulberg III
Lahore - 54600, Pakistan
Tel: (042) 111 111 765
Fax: (042) 3578 3811

Faisalabad Office:
Chak Jhumra Road
Nishatabad
Faisalabad - 38000, Pakistan
Tel: (041) 875 2810
Fax: (041) 875 2811



Shakarganj Limited

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

Chartered Accountants of Pakistan 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 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. The Company plans to sell its Bhone establishment and is hopeful that it will be able to pay off its liabilities during the subsequent periods.

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

The Annual General Meeting of the Company will be held on Tuesday, 27 February 2024 at 11:30 Hours, at registered office, Lahore and through video-link.

The Share Transfer Books of the Company will be closed from 21 February 2024 to 27 February 2024 (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 20 February 2024, 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.


Principal Office:
Executive Floor, IT Tower, 73 E I
Hali Road, Gulberg III
Lahore - 54600, Pakistan
Tel: (042) 111 111 765
Fax: (042) 3578 3811

Faisalabad Office:
Chak Jhumra Road
Nishatabad
Faisalabad - 38000, Pakistan
Tel: (041) 875 2810
Fax: (041) 875 2811

SHAKARGANJ LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	NOTE	2023 (RUPEES IN THOUSAND)	2022 (RUPEES IN THOUSAND)
Revenue from contracts with customers	24	9,561,824	12,325,570
Cost of revenue	25	(9,884,539)	(11,954,857)
Gross (Loss) / Profit		<u>(322,715)</u>	<u>370,713</u>
Distribution cost	26	(105,743)	(184,194)
Administrative expenses	27	(400,333)	(378,003)
Other expenses	28	(106,802)	(19,817)
Other income	29	347,825	145,265
Loss from operations		<u>(587,768)</u>	<u>(66,036)</u>
Finance cost	30	(362,770)	(336,298)
Share of profit from equity accounted investee	15	87,325	64,196
Loss before taxation		<u>(863,213)</u>	<u>(338,138)</u>
Taxation	31	316,994	112,836
Loss after taxation		<u>(546,219)</u>	<u>(225,302)</u>
Loss per share - Basic and Diluted (Rupees)	32	<u>(4.37)</u>	<u>(1.80)</u>

The annexed notes from 1 to 47 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 2023**

	NOTE	2023 (RUPEES IN THOUSAND)	2022 (RUPEES IN THOUSAND)
REVENUE	30	24,598,876	30,309,676
COST OF REVENUE	31	<u>(22,355,957)</u>	<u>(27,470,754)</u>
GROSS PROFIT		2,242,919	2,838,922
DISTRIBUTION COST	32	(1,407,284)	(2,046,023)
ADMINISTRATIVE EXPENSES	33	(553,920)	(526,531)
OTHER EXPENSES	34	(170,842)	(35,836)
OTHER INCOME	35	441,830	173,495
PROFIT / (LOSS) FROM OPERATIONS		<u>552,703</u>	<u>404,027</u>
FINANCE COST	36	<u>(769,908)</u>	<u>(734,456)</u>
PROFIT / (LOSS) BEFORE TAXATION		<u>(217,205)</u>	<u>(330,429)</u>
TAXATION	37	(224,716)	176,894
LOSS AFTER TAXATION		<u>(441,921)</u>	<u>(153,535)</u>
SHARE OF LOSS ATTRIBUTABLE TO:			
EQUITY HOLDERS OF HOLDING COMPANY		(521,278)	(211,873)
NON-CONTROLLING INTEREST	46	79,357	58,338
		<u>(441,921)</u>	<u>(153,535)</u>
LOSS PER SHARE - BASIC AND DILUTED (RUPEES)	38	<u>(4.17)</u>	<u>(1.69)</u>

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



CHIEF EXECUTIVE OFFICER

DIRECTOR



CHIEF FINANCIAL OFFICER