



Shakarganj
Limited



CONDENSED INTERIM REPORT
FOR THE FIRST QUARTER ENDED
31 DECEMBER 2022

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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)	Mian Muhammad Anwar
2. Chief Executive Officer	Anjum Muhammad Saleem
In alphabetic order:	
3. Executive Director	Ali Altaf Saleem
4. Non-Executive Director	Javed Anjum
5. Non-Executive Director	Khalid Bashir
6. Executive Director	Muhammad Pervez Akhtar
7. Non-Executive Director (Independent)	Sheikh Asim Rafiq
8. Non-Executive Director (Independent)	Zahra Ahsan Saleem

Audit Committee

Chairman	Sheikh Asim Rafiq (Independent)
Member	Javed Anjum
Member	Khalid Bashir
Member	Zahra Ahsan Saleem (Independent)

Human Resource & Remuneration Committee

Chairperson	Zahra Ahsan Saleem (Independent)
Member	Anjum Muhammad Saleem
Member	Khalid Bashir
Member	Mian Muhammad Anwar

Chief Financial Officer

Muhammad Asif

Company Secretary

Asif Ali

Management Committees

Executive Committee

Chairman	Anjum Muhammad Saleem Ali Altaf Saleem Muhammad Pervez Akhtar
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Business Strategy Committee

Chairman	Anjum Muhammad Saleem Ali Altaf Saleem Muhammad Pervez Akhtar Muhammad Asif Manzoor Hussain Malik
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System & Technology Committee

Chairman	Muhammad Pervez Akhtar Muhammad Asif Ibrahim Ahmad Cheema
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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.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

HLB Ijaz Tabussum & Co.
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.pk

Satellite Facility

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

Website

www.shakarganj.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

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.

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 16,000 Tons of Cane per Day (TCD) which is extendable to 20,000 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. The installed capacity is 24,960 spindles for cotton spinning.

Farming & Allied Business:

This comprises different parcels of land mainly located in Jhang District near our manufacturing facilities. Total area under cultivation is 790 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 around 225 milking and fattening cattle. Shakarganj has also launched a new product in the area of non chemical 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.

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

DIRECTORS' REPORT

The directors of your company have pleasure in submitting their report and the unaudited condensed interim financial statements of the Company for the first quarter ended 31 December 2022.

Financial and Operational Performance:

Another challenging sugarcane crushing season has started with increased supporting price of Rs. 300 per 40 kg as notified by the Punjab Government. In spite of worst flood in Pakistan, sugarcane crop remained one of the lowest effected crops in the region. As per reports, sugarcane cultivation area is comparatively improved however, sugar sale price and continued pressure on it coupled with the policy of the Government for not letting the market forces to play freely to determine the prices causing loss to the industry. Company started crushing campaign with significant increase in recovery percentage of sugar as well as crushing. However, current prevailing political scenario and overall inflationary pressure may seriously affect the businesses. Company would try its best to further increase in recovery by crushing quality sugarcane with better margins. With the export permission, we expect some increase in sugar prices to maintained margins against increased support price of sugarcane. Our Biofuel business has also started positively this time and the management is planning to procure molasses in bulk to increase its exports. Due to overall situation in the yarn market and difficult business environments in the textile business, no activity so far started in our textile businesses.

The Company was able to crush 322,795 MT of sugarcane as compared to 262,951 MT of sugarcane in the corresponding period. There was 23% increase in sugarcane crushed. Sugar recovery percentage was 9.79% as compared to 8.93% in the corresponding period of last year. Average sugarcane cost for Shakarganj increase to Rs. 303 per 40 kg as compared to Rs. 253 per 40 kg in the corresponding period.

During the quarter ended 31 December 2022, Company's overall sales revenue stood at Rs. 1,510.4 million (1QFY22: Rs. 1,680.1 million) and gross loss of the Company was Rs. 179 million as compared to gross loss of Rs. 266 million in corresponding period last year. The Company's loss before tax was Rs. 223 million as compared to loss before tax of Rs. 413 million in the corresponding period.

Business Segments:

Sugar Division:

Sugar Division revenue net of tax for the first quarter of Fiscal 2023 was Rs. 1,107.69 million and inter-segment sale of Rs. 143.79 million as against net sales revenue of Rs. 1,621.22 million and inter-segment sale of Rs. 7.77 million during corresponding period of last year. Our Sugar Division crushed 322,795 MT of sugarcane and produced 29,626 MT of sugar at an average recovery of 9.79 percent as against the crushing of 262,951 MT of sugarcane to produced 21,214 MT at an average recovery of 8.93 percent in the corresponding period. Improvements in the sugar recovery have been witnessed, however, high cost of sugarcane as well as involvement of middleman hampering the crushing campaign in the middle of the season. Due to price hike of raw material this business sustained a gross loss of 17.42% during the current period, compared to a gross loss of 8.33% during the corresponding period of last year. The bottom-line resulted in loss before tax and un-allocated expenses of Rs. 278.37 million as compared to loss before tax and un-allocated expenses of Rs. 215.27 million for the corresponding period last year.

Biofuel Division:

Net sales revenue of Biofuel Division during the period amounted to Rs. 402.71 million as compared to 33.65 million in the corresponding period last year. Gross profit for the period stood at Rs. 54.88 million as compared to gross loss of Rs. 112.62 million in corresponding period last year. The bottom-line resulted in profit before tax and un-allocated expenses of Rs. 27.89 million as compared to loss before tax and un-allocated expenses of Rs. 121.40 million for the corresponding period last year. During the period under review, this division produced 1.43 million litres as compared to nil in the corresponding period last year.

Textile Division:

During the period under review, due to closure of mills, there was no production in Textile Division.

Unconsolidated Financial Position

Balance sheet footing stood at Rs. 20,218.53 million as of 31 December 2022, compared to Rs 18,562.01 million on 30 September 2022. Total shareholders' fund decreased to Rs. 10,321.41 million from Rs. 10,508.40 million as at 30 September 2022. Break-up value per share was Rs. 82.57 as compared to Rs. 84.07 per share as at 30 September 2022.

Health, Safety, Environment and Corporate Social Responsibility

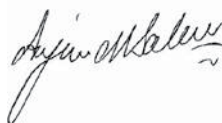
To ensure a safe and healthy work environment, the Company is adapting its health and safety practices in line with the development of prevailing conditions in the country against various variants of the pandemic. Within the Company premises stiff checking is ensured and measures also include categorization of staff essential to be present in office for uninterrupted operations, whereas the other staff is shifted to work-from-home wherever required. Technological developments have made the minimal physical interaction possible by conversion to virtual meetings. Moreover, we also actively seek opportunities to contribute to the communities in which we operate and to improve the environments that sustain us all. Our areas of primary focus are education, health and safety, energy conservation, waste reduction, and community building wherever we can afford with limited resources keeping in view the Company financial position.

Future Outlook:

Sugar crushing and recovery is expected to significantly increase in remaining part of the season. Price scenario is also expected to improve with sugar exports. Future outlook of our distilleries operations is always depending on continuous availability of good quality molasses and so for we have procured more than 80% more molasses than procured in the corresponding period. Operations at Biofuel Division has been kicked off and expected to operate with the own molasses from Sugar Division as well as from bulk buying. Due to difficult business environments in the textile business which expected to continue closure till the positive development in the market. As mentioned in our last annual report, management taking steps to overcome the liquidity crunch and we are hopeful that the Company would be back on track in near future.

Finally, we would like to thank all stakeholders for their patronage and look forward to their continued support.

On behalf of Board of Directors



Anjum Muhammad Saleem
Chief Executive Officer



Ali Altaf Saleem
Director

31 January 2023

Unconsolidated Condensed Interim
Financial Statements (Un-audited)
For the First Quarter ended 31 December 2022
(Shakarganj Limited)

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 DECEMBER 2022 (Un-audited)

	Note	31 December 2022 Un-Audited (Rupees in thousand)	30 September 2022 Audited
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
150,000,000 (30 September 2022: 150,000,000) ordinary shares of Rs. 10 each		1,500,000	1,500,000
50,000,000 (30 September 2022: 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 share capital		1,250,000	1,250,000
Capital Reserves			
Surplus on revaluation of property, plant and equipment - net of deferred income tax		10,112,580	10,256,630
Other capital reserve		1,744,251	1,751,879
Revenue Reserves		516,306	516,306
Accumulated loss		(3,301,728)	(3,266,419)
TOTAL EQUITY		<u>10,321,409</u>	<u>10,508,396</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	3	-	-
Employees' retirement benefits		421,960	421,960
Deferred income tax liability		2,998,115	3,052,924
		<u>3,420,075</u>	<u>3,474,884</u>
CURRENT LIABILITIES			
Trade and other payables		5,364,369	3,409,852
Short term borrowings		935,000	935,000
Accrued Mark-up		29,049	52,735
Current portion of non-current liabilities	3	-	41,413
Unclaimed dividend		1,916	1,916
Provision for taxation		146,708	137,809
		<u>6,477,042</u>	<u>4,578,725</u>
TOTAL LIABILITIES		<u>9,897,117</u>	<u>8,053,609</u>
CONTINGENCIES AND COMMITMENTS	4		
TOTAL EQUITY AND LIABILITIES		<u>20,218,526</u>	<u>18,562,005</u>

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



Chief Executive Officer

	Note	31 December 2022 Un-Audited (Rupees in thousand)	30 September 2022 Audited
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	15,283,849	15,451,699
Biological assets		27,042	30,204
Long Term Investments	6	2,051,053	1,915,737
Long term advances and deposits		36,135	36,135
		<u>17,398,079</u>	<u>17,433,775</u>
CURRENT ASSETS			
Biological assets		2,014	2,881
Stores, spare parts and loose tools		109,287	52,018
Stock-in-trade	7	1,966,626	295,242
Trade debts		35,143	65,085
Loans and advances		200,919	269,946
Prepayments and other receivables		333,162	322,171
Cash and bank balances		83,048	30,639
		<u>2,730,199</u>	<u>1,037,982</u>
Non-current assets held for sale	8	90,248	90,248
		<u>2,820,447</u>	<u>1,128,230</u>
TOTAL ASSETS		<u><u>20,218,526</u></u>	<u><u>18,562,005</u></u>

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



Director



Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

For the First Quarter Ended 31 December 2022 (Un-Audited)

	Note	31 December 2022 (Rupees in thousand)	31 December 2021
Revenue from contracts with customers	9	1,510,391	1,680,050
Cost of sales	9	(1,689,679)	(1,946,194)
Gross loss		(179,288)	(266,144)
Distribution cost		(11,901)	(10,734)
Administrative expenses		(87,526)	(87,805)
Other expenses		(5,024)	(1,778)
Other income		14,251	39,567
Loss from operations		(269,488)	(326,894)
Finance cost		(89,726)	(33,459)
Share of profit / (loss) from equity accounted investee		136,336	(52,177)
Loss before taxation		(222,878)	(412,530)
Taxation		36,911	29,265
Loss after taxation		(185,967)	(383,265)
Loss per share - Basic And diluted (Rupees)		(1.49)	(3.07)

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



Chief Executive Officer



Director



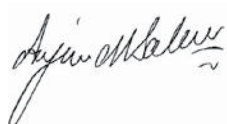
Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the First Quarter Ended 31 December 2022 (Un-Audited)

	31 December 2022 (Rupees in thousand)	31 December 2021
Loss after taxation	(185,967)	(383,265)
Other comprehensive loss		
Items that will not be reclassified to profit or loss in subsequent periods:		
Deficit arising on remeasurement of investments at fair value through other comprehensive income	(1,020)	(852)
Items that may be reclassified to profit or loss in subsequent periods	-	-
Other comprehensive loss for the period	(1,020)	(852)
Total comprehensive loss for the period	<u>(186,987)</u>	<u>(384,117)</u>

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



Chief Executive Officer



Director



Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the First Quarter Ended 31 December 2022 (Un-Audited)

SHARE CAPITAL	RESERVES									ACCUMULATED LOSS	TOTAL EQUITY	
	CAPITAL RESERVES						REVENUE RESERVES		TOTAL			
	Premium on issue of right shares	Share in capital reserves of equity accounted investee	Fair value reserve of investments at fair value through other comprehensive income	Difference of capital under scheme of arrangement of merger	Surplus on revaluation of property, plant and equipment - net of deferred income tax	Sub total	General	Sub total				
Rupees in thousand												
Balance as at 30 Sep 2021 - (Audited)	1,250,000	1,056,373	448,810	(11,021)	155,930	11,466,335	13,116,427	516,306	516,306	13,632,733	(3,661,819)	11,220,914
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	(165,909)	(165,909)	-	-	(165,909)	165,909	-
Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment	-	-	-	-	-	(65,599)	(65,599)	-	-	(65,599)	65,599	-
Incremental depreciation of property, plant and equipment of equity accounted investee - net of deferred income tax	-	-	(5,633)	-	-	-	(5,633)	-	-	(5,633)	5,633	-
Loss for the period	-	-	-	-	-	-	-	-	-	-	(383,265)	(383,265)
Other comprehensive income for the period	-	-	-	(852)	-	-	(852)	-	-	(852)	-	(852)
Total comprehensive loss for the period	-	-	-	(852)	-	-	(852)	-	-	(852)	(383,265)	(384,117)
Balance as at 31 Dec 2021 - (Un-audited)	1,250,000	1,056,373	443,177	(11,873)	155,930	11,234,827	12,878,434	516,306	516,306	13,394,740	(3,807,943)	10,836,797
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	(441,259)	(441,259)	-	-	(441,259)	441,259	-
Adjustment of deferred income tax liability due to re-assessment at year end	-	-	-	-	-	(486,373)	(486,373)	-	-	(486,373)	-	(486,373)
Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment	-	-	-	-	-	(50,565)	(50,565)	-	-	(50,565)	50,565	-
Incremental depreciation of property, plant and equipment of equity accounted investee - net of deferred income tax	-	-	(16,660)	-	-	-	(16,660)	-	-	(16,660)	16,660	-
Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment of equity accounted investee - net of deferred income tax	-	-	(7,803)	-	-	-	(7,803)	-	-	(7,803)	7,803	-
Early settlement of convertible loan of equity accounted investee	-	-	-	-	-	-	-	-	-	-	(11,632)	(11,632)
Loss for the period	-	-	-	-	-	-	-	-	-	-	157,963	157,963
Other comprehensive income for the period	-	-	133,697	(962)	-	-	132,735	-	-	132,735	(121,094)	11,641
Total comprehensive loss for the period	-	-	133,697	(962)	-	-	132,735	-	-	132,735	36,869	169,604
Balance as at 30 Sep 2022 - (Audited)	1,250,000	1,056,373	552,411	(12,835)	155,930	10,256,630	12,008,509	516,306	516,306	12,524,815	(3,266,419)	10,508,396
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	(144,050)	(144,050)	-	-	(144,050)	144,050	-
Incremental depreciation of property, plant and equipment of equity accounted investee - net of deferred income tax	-	-	(6,608)	-	-	-	(6,608)	-	-	(6,608)	6,608	-
Loss for the period	-	-	-	-	-	-	-	-	-	-	(185,967)	(185,967)
Other comprehensive loss for the period	-	-	-	(1,020)	-	-	(1,020)	-	-	(1,020)	-	(1,020)
Total comprehensive loss for the period	-	-	-	(1,020)	-	-	(1,020)	-	-	(1,020)	(185,967)	(186,987)
Balance as at 31 Dec 2022 - (Un-audited)	1,250,000	1,056,373	545,803	(13,855)	155,930	10,112,580	11,856,831	516,306	516,306	12,373,137	(3,301,728)	10,321,409

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


Chief Executive Officer


Director



Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the First Quarter Ended 31 December 2022 (Un-Audited)

	Note	31 December 2022 Rupees in thousand	31 December 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	10	233,538	(54,253)
Finance cost paid		(68,329)	(12,727)
Net increase in long term advances and deposits		-	-
Income tax paid		(8,999)	(2,647)
Net cash generated from / (used in) operating activities		156,210	(69,627)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(62,388)	(35,006)
Proceeds from sale of property, plant and equipment		-	192,450
Net cash (Used in) / from investing activities		(62,388)	157,444
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		-	-
Repayment of long term financing		(41,413)	(52,663)
Dividend paid		-	(27)
Net cash used in from financing activities		(41,413)	(52,690)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		52,409	35,127
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD		30,639	1,905
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD		83,048	37,032

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



Chief Executive Officer



Director



Chief Financial Officer

SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the First Quarter Ended 31 December 2022 (Un-Audited)

1. The Company and its Operations

1.1. Shakarganj Limited (the Company) is a public limited company incorporated on 20 September 1967 in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017) and is listed on Pakistan Stock Exchange Limited. It is principally engaged in manufacture, purchase and sale of sugar, biofuel and yarn. 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.

1.2. Going concern assumption

The Company has suffered loss after taxation of Rs. 185.967 million and its accumulated losses are of Rs. 3,301.728 million as at 31 December 2022. The current liabilities of the Company exceeded its current assets by Rs. 3,656.595 million. Moreover, the Company has overdue statutory obligations. Furthermore Textile segment of the Company remained closed during the whole year. Certain shareholders of the Company have applied to 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. These factors indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, these financial statements have been prepared on going concern basis due to following reasons:

- The Company is making arrangements to sell its agriculture land having market value of Rs. 755.547 million. For this purpose, approval of shareholders has been obtained in Annual General Meeting of the Company held on 28 February 2022 subject to further orders of Lahore High Court, Lahore and Sindh High Court, Karachi along with no objection from lenders. The proceeds through disposal of land will be utilized by the Company to pay to sugarcane growers and to settle the other liabilities of the Company while the remaining proceeds will be utilized for upgradation of plant and machinery of textile and sugar divisions at Jhang.

- 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. Book value of freehold land, building and plant and machinery as at 31 Dec 2022 is Rs. 7.968 billion. Price discovery by the management for the whole Bhone Unit of the Company including related licenses / rights when built in the future plan results in debt free business, surplus funds and profits for the Company. The management has planned to seek required approvals for roll out of the turnaround plan before the end of financial year 30 Sep 2023.

- One of the largest shareholders of the Company has affirmed its commitment to fully financially support the Company, in case of any need.

- The Company undertook significant operational measures during the year to improve its productivity. During the period, the Company has crushed 322 795 MT of sugarcane which has increased by almost 23% as compared to 262 951 MT of sugarcane crushed in the corresponding year and produced 29 626 MT of sugar in current season which has increased by more than 40% as compared to 21 214 MT of sugar in the corresponding year. Moreover the Company produced 1 431 513 liters of biofuel during the year which has been increased by 100% as compared to corresponding period. This will favorably affect the financial position and performance of the Company in the next year.

- The Company is in the process of installing the falling film evaporators. Falling film evaporators are alternative to Robert type evaporators and help to improve the optimization of the evaporator's station and energy efficiency of the plant. The percentage of steam's usage will be reduced by 9%. It would also increase the recovery ratio accordingly.

The Company remains committed to its best efforts to improve liquidity position. The financial projections of the Company show improvements in cash generation and profits. The management considers that the measures as explained above would result in availability of adequate financial resources for the Company to sustain the continuity of its business for the foreseeable future and thus maintain its going concern status. Accordingly, these financial statements have been prepared on a going concern basis which assumes that the Company will continue to operate its business, realize its assets, and discharge its liabilities, in the normal course of business.

2. Summary of Significant Accounting Policies

2.1. Basis of preparation

a) Statement of compliance

i). These unconsolidated condensed interim financial statements have 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; 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, the provisions of and directives issued under the Companies Act, 2017 have been followed.

ii). These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 September 2021. These unconsolidated condensed interim financial statements are un-audited and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and section 237 of the Companies Act, 2017.

b) Accounting policies and computation methods

The accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are the same as approved in the preparation of the audited annual financial statements for the year ended 30 September 2021, except for the accounting policy disclosed in Note 2.4 to these unconsolidated condensed interim financial statements.

2.2. Critical accounting estimates, judgments and financial risk management

The preparation of these unconsolidated condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of these unconsolidated condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the audited annual financial statements of the Company for the year ended 30 September 2021.

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding annual audited published financial statements of the Company for the year ended 30 September 2021.

2.3. Seasonality of operations

The Company is, inter alia, engaged in manufacturing of sugar for which the season begins in November and ends in March. Therefore, majority of expenses are incurred and production activities are undertaken during the crushing season and thus increasing volume of inventories at the end of the season.

2.4. Non-current assets held for sale

Non-current assets are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

	31 December 2022 Un-Audited (Rupees in thousand)	30 September 2022 Audited
3. Long Term Financing		
Financing from banking companies and financial institution - secured		
Opening balance	41,413	410,105
Add:		
Obtained during the period / year	-	-
Fair value adjustment	-	6,833
	41,413	416,938
Less:		
Repaid during the period / year	41,413	375,525
Deferred income - Government grant	-	-
	41,413	375,525
	-	41,413
Less: Current portion shown under current liabilities	-	(41,413)
	-	-

4. Contingencies and Commitments

4.1. Contingencies

There is no material change in the status of contingencies as set out in note 11(a) to the financial statements of the Company for the year ended 30 September 2022.

4.2. Commitments

There is no contract for capital and other expenditure as at 31 December 2022 (30 September 2022: Rs. Nil).

	Note	31 December 2022 Un-Audited (Rupees in thousand)	30 September 2022 Audited
5. Property, plant and equipment			
Operating fixed assets	5.1	14,903,132	15,085,370
Capital work-in-progress	5.2	380,717	366,329
		<u>15,283,849</u>	<u>15,451,699</u>
5.1 Operating fixed assets			
Opening book value		15,085,370	16,036,918
Add: Cost of addition during the period / year	5.1.1	48,000	7,279
Add: Transfer from non-current assets held for sale		-	95,725
		<u>15,133,370</u>	<u>16,139,922</u>
Less: Book value of deletion during the period / year	5.1.2	-	50,183
Less: Transferred to non-current assets held for sale		-	-
		-	50,183
		<u>15,133,370</u>	<u>16,089,739</u>
Less: Depreciation charged during the period / year		230,238	1,004,369
Closing book value		<u>14,903,132</u>	<u>15,085,370</u>
5.1.1 Cost of additions during the period / year			
Building		-	3,982
Plant and machinery		48,000	1,700
Tools and equipment		-	251
Office equipment		-	50
Furniture and fixture		-	1,296
		<u>48,000</u>	<u>7,279</u>
5.1.2 Book value of deletions during the period / year			
Freehold land		-	17,900
Building		-	21,439
Plant and machinery		-	7,637
Tools and equipment		-	153
Water electric and weighbridge equipment		-	782
Furniture and fixture		-	817
Office equipment		-	78
Vehicles		-	1,360
Laboratory equipment		-	3
Arm & Ammunition		-	14
		-	<u>50,183</u>
5.2 Capital work-in-progress			
Civil works		6,278	5,497
Plant and machinery		267,212	223,072
		<u>273,490</u>	<u>228,569</u>
Advances against capital work in progress		144,165	174,698
Less: Provision against doubtful advances		(36,938)	(36,938)
		<u>107,227</u>	<u>137,760</u>
		<u>380,717</u>	<u>366,329</u>

	Note	31 December 2022 Un-Audited (Rupees in thousand)	30 September 2022 Audited
6 Long Term Investment			
Investment in equity accounted investee	6.1.1	2,045,296	1,908,960
Investment at fair value through other comprehensive income		5,757	6,777
		<u>2,051,053</u>	<u>1,915,737</u>
6.1 Investment in equity accounted investee			
Shakarganj Food Products Limited - Unquoted			
87 785 643 (30 Sep 2022: 87 785 643) fully paid ordinary shares of Rs. 10 each.			
Equity held: 52.39% (30 Sep 2022: 52.39%)			
6.1.1 Movement during the period / year			
Cost		590,784	590,784
Share of post acquisition reserves:			
Opening balance		1,318,176	1,136,689
Share of profit after taxation for the period / year		136,336	64,196
Share of other comprehensive income for the period / year		-	128,923
Share of equity - musharakah financing for the period / year		-	(11,632)
		<u>136,336</u>	<u>181,487</u>
		1,454,512	1,318,176
Closing balance		<u>2,045,296</u>	<u>1,908,960</u>

	31 December 2022 Un-Audited (Rupees in thousand)	30 September 2022 Audited
7. Stock-in-Trade		
Raw materials	425,109	5,629
Work-in-process	212,833	11,399
Finished goods	1,328,684	278,214
	<u>1,966,626</u>	<u>295,242</u>

8. Non-Current Assets Held for Sale

The non-current assets classified as held for sale under IFRS-5 "Non-Current Assets held for Sale and Discontinued Operations" are summarized hereunder:

	31 December 2022 Un-Audited (Rupees in thousand)	30 September 2022 Audited
Property, plant and equipment	90,248	90,248
	<u>90,248</u>	<u>90,248</u>

Specific items of freehold land, plant and machinery of Sugar segment of the Company have been presented as held for sale following the approval of Board of Directors (BOD) of the Company in the

meeting held on 04 January 2021. The management is hopeful of completing the sale transactions of the above mentioned assets uptill the end of the current financial year.

8.1. Reconciliation of Non-Currents Assets Held For Sale

	Note	31 December 2022 Un-Audited (Rupees in thousand)	30 September 2022 Audited
Opening book value		90,248	335,180
Book value of assets transferred from property, plant and equipment	5.1	-	(95,725)
Book value of assets disposed off during the period		-	(149,207)
		<u>90,248</u>	<u>90,248</u>

9 SEGMENT INFORMATION

(Un-audited)

	Sugar		Biofuel		Textile		Farms		Others		Elimination of Inter-segment transactions		Total	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Rupees in thousand														
91 Revenue														
External Intersegment	1,107,686	1,621,218	402,705	33,650	-	12,607	-	12,574	-	-	-	-	1,510,391	1,680,050
	143,789	7,766	-	-	-	-	-	2,028	-	-	(143,789)	(9,793)	-	-
Cost of sales	1,251,475	1,628,984	402,705	33,650	-	12,607	-	14,602	-	-	(143,789)	(9,793)	1,510,391	1,680,050
	(1,469,493)	(1,764,700)	(347,822)	(146,271)	(15,948)	(29,601)	(205)	(15,415)	-	-	143,789	9,793	(1,689,679)	(1,946,194)
Gross (loss) / profit	(218,018)	(135,716)	54,883	(112,621)	(15,948)	(16,994)	(205)	(813)	-	-	-	-	(179,288)	(266,144)
Administrative expenses	(57,264)	(76,292)	(18,426)	(1,576)	(11,836)	(9,683)	-	(254)	-	-	-	-	(87,526)	(87,805)
Distribution cost	(3,083)	(3,258)	(8,572)	(7,201)	(246)	(275)	-	-	-	-	-	-	(11,901)	(10,734)
	(60,347)	(79,550)	(26,998)	(8,777)	(12,082)	(9,958)	-	(254)	-	-	-	-	(99,427)	(98,539)
(Loss) / profit before taxation and unallocated income and expenses	(278,365)	(215,266)	27,885	(121,398)	(28,030)	(26,952)	(205)	(1,067)	-	-	-	-	(278,715)	(364,683)
Unallocated income and expenses:														
Other expenses													(5,024)	(1,778)
Finance cost													(89,726)	(33,459)
Other income													14,251	39,567
Share of (loss) / profit for equity accounted investee													136,336	(52,177)
Taxation													36,911	29,265
Loss after taxation													(185,967)	(383,265)

9.2 Reconciliation of reportable segment assets and liabilities:

	Sugar		Biofuel		Textile		Farms		Others		Total	
	(Un-audited) 31 December 2022	(Audited) 30 September 2022	(Un-audited) 31 December 2022	(Audited) 30 September 2022	(Un-audited) 31 December 2022	(Audited) 30 September 2022	(Un-audited) 31 December 2022	(Audited) 30 September 2022	(Un-audited) 31 December 2022	(Audited) 30 September 2022	(Un-audited) 31 December 2022	(Audited) 30 September 2022
Rupees in thousand												
Total assets for reportable segments	10,954,742	9,795,069	5,460,019	5,130,872	579,368	590,394	648,563	649,536	-	-	17,642,692	16,165,871
Unallocated assets											2,575,834	2,396,134
Total assets as per unconsolidated condensed interim statement of financial position											20,218,526	18,562,005
Total liabilities for reportable segments	6,691,570	5,012,760	1,731,087	1,481,308	123,468	211,319	18,023	20,430	-	-	8,564,147	6,725,816
Unallocated liabilities											1,332,970	1,327,793
Total liabilities as per unconsolidated condensed interim statement of financial position											9,897,117	8,053,609

9.3 Geographical Information

The Company's revenue from external customers by geographical locations is detailed below:

	Sugar		Biofuel		Textile		Farms		Others		Total	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Rupees in thousand												
Europe	-	-	247,351	-	-	-	-	-	-	-	247,351	-
Asia	-	-	147,371	-	-	-	-	-	-	-	147,371	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-
Pakistan	1,107,686	1,621,218	7,983	33,650	-	12,607	-	12,574	-	-	1,115,669	1,680,050
	1,107,686	1,621,218	402,705	33,650	-	12,607	-	12,574	-	-	1,510,391	1,680,050

	NOTE	Un-Audited	
		31 December 2022 (Rupees in thousand)	31 December 2021
10. CASH GENERATED FROM / (USED IN) OPERATIONS			
Loss before taxation		(222,878)	(412,530)
Adjustments for non-cash charges and other items:			
Depreciation		230,238	248,318
Loss / (gain) on sale of property, plant and equipment		-	(25,342)
Fair value adjustment of agricultural assets		-	2,788
Share of loss / (profit) from equity accounted investee		(136,336)	52,177
Unrealized loss on agriculture income		3,162	1,296
Finance cost		89,726	33,459
Working capital changes	10.1	269,626	45,581
		<u>(233,538)</u>	<u>(54,253)</u>
10.1 Working capital changes			
(Increase) / decrease in current assets:			
Stores, spare parts and loose tools		(57,269)	(47,506)
Stock-in-trade		(1,671,384)	(426,520)
Trade debts		29,942	33,511
Loans and advances		69,027	(97,978)
Prepayments and other receivables		(10,991)	2,621
Biological assets - net		867	1,204
		<u>(1,639,808)</u>	<u>(534,668)</u>
Increase in trade and other payables		1,909,434	580,249
		<u>269,626</u>	<u>45,581</u>

11. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of subsidiary company, associated companies, key management personnel and other related parties. The Company in the normal course of business carries out transactions with various related parties as follows:

	Un-Audited	
	31 December 2022 (Rupees in thousand)	31 December 2021
i) Transactions		
Subsidiary company		
Sale of goods	7,940	5,849
Common expenses shared	648	357
Associated companies		
Purchase of goods	-	81,792
Common expenses shared	988	979
Insurance expenses	1,993	1,481
Sale of goods and rendering of services	1,042	80,909
Markup on borrowing	16,300	8,915

	Un-Audited	
	31 December 2022 (Rupees in thousand)	31 December 2021
Other related parties		
Company's contribution to Employees' Provident Fund Trust	3,140	2,843
Service charges accrued	-	1,682
Remuneration and meeting fee paid to Chief Executive Officer, directors and executives	29,988	31,751
	31 December 2022 (Un-Audited) (Rupees in thousand)	30 September 2022 (Audited)
ii) Period end balances		
Subsidiary company		
Trade debts	26,972	25,903
Trade and other payables	9,833	9,630
Associated companies		
Trade and other payables	5,494	12,225
Cash and bank balances	15,900	10,958
Short term borrowings	425,000	425,000
Accrued Markup	22,976	4,676
Other related parties		
Trade and other payables	405,695	393,911
Loans and advances	20,333	16,811
12. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX		
Description		
Shariah compliant bank deposits and bank balances		
Bank balances	48,712	13,330
Loans / advances obtained as per Islamic mode		
Contract liabilities	1,345,908	361,048
Short term borrowings	425,000	425,000
	Un-Audited	
	31 December 2022 (Rupees in thousand)	31 December 2021
Revenue earned from shariah compliant business	1,510,391	1,680,050
Gain / (loss) or dividend earned from shariah compliant investments		
Unrealized loss on remeasurement of investments at FVTOCI	(1,020)	(852)
Exchange gain	4,581	-
Mark-up paid on Islamic mode of financing	16,300	8,915
Profit earned or interest paid on any conventional loan / advance		
Mark-up on long term financing	1,546	10,471
Mark-up on short term borrowings	26,129	13,769
Profit earned on deposit with banks	7	-

Relationship with shariah compliant banks

Name	Relationship
Askari Bank Limited	Bank balances
BankIslami Pakistan Limited	Bank balances and short term borrowings
Bank Alfalah Limited	Bank balances
Dubai Islamic Bank Pakistan Limited	Bank balances
Meezan Bank Limited	Bank balances
Habib Bank Limited	Bank balances

12.1. There was no profit on deposits with shariah compliant banks.

13. Recognized Fair Value Measurements - Financial Instruments

13.1. Fair value hierarchy

Judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these unconsolidated condensed interim financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into following three levels. An explanation of each level follows underneath the table:

Level 1	Level 2	Level 3	Total
---------	---------	---------	-------

(Rupees in thousand)

Financial assets - recurring fair value measurement

At 31 December 2022 - (Un-audited)

At fair value through other comprehensive income	5,757	-	-	5,757
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At 30 September 2022 - Audited

At fair value through other comprehensive income	6,777	-	-	6,777
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The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to the short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the period. Further there was no transfer out of level 3 measurements.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, trading and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of

observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

14. Date of Authorization of Issue

These unconsolidated condensed interim financial statements were approved and authorized for issue on 31 January 2023 by the Board of Directors of the Company.

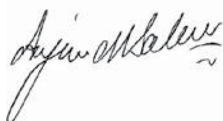
15. Corresponding Figures

In order to comply with the requirements of IAS 34, the unconsolidated condensed interim statement of financial position and unconsolidated condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income and unconsolidated condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.

16. General

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.



Chief Executive Officer



Director



Chief Financial Officer

Consolidated Condensed Interim
Financial Statements (Un-audited)
For the First Quarter ended 31 December 2022
(Shakarganj Limited and Its Subsidiary Company)

CONSOLIDATED DIRECTORS' REPORT

The directors of Shakarganj Limited have pleasure in presenting their report together with the unaudited consolidated condensed financial statements of the Group for the period ended 31 December 2022. The Group comprises of Shakarganj Limited and its partially owned subsidiary namely Shakarganj Food Products Limited.

The comments on performance of Shakarganj Limited for the period ended 31 December 2022 has been presented separately in directors' report.

Group Financial Performance:

The financial results of the Group are summarised below:

	31 December 2022	31 December 2021
	Rupees in thousand	
Revenue	6,981,643	6,026,191
Gross profit	893,645	191,737
Profit / (loss) from operations	221,868	(289,258)
Profit / (loss) before taxation	37,186	(403,211)
Taxation	(99,256)	(27,471)
Loss for the year	(62,070)	(430,682)
Loss per share - basic and diluted (Rupees)	(1.49)	(3.07)

On a consolidated basis, gross profit was Rs. 893.645 million as compared to Rs. 191.74 million in the corresponding period. We are hopeful, with the rise in demands, for further improvements in the performance of the group as a whole in the remaining part of fiscal year.

On a Group basis, the consolidated balance sheet footing stood at Rs. 28,920.71 million as at 31 December 2022, compared to Rs. 27,149.95 million as at 30 September 2022. Total equity decreased to Rs. 12,083.72 million on the period end 31 December 2022 from Rs. 12,146.81 million as at 30 September 2022.

Subsequent Events and Commitments

No material changes and commitments affecting the financial position of the Shakarganj Group have occurred between the end of the financial period to which this balance sheet relates and the date of the consolidated directors' report.

Acknowledgment

The Directors wish to express their appreciation to the staff & workers of the Company for their dedication and devotion to the Company. The Directors feel pleasure in expressing appreciation for the continued interest and support of the shareholders, bankers and all other parties involved and hope that the same spirit will prevail in the future as well.

By Order of the Board



Anjum Muhammad Saleem
Chief Executive Officer



Ali Altaf Saleem
Director


31 January 2023

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 DECEMBER 2022 (Un-audited)

	Note	31 December 2022 Un-Audited (Rupees in thousand)	30 September 2022 Audited
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
150,000,000 (30 September 2022: 150,000,000) ordinary shares of Rs. 10 each		1,500,000	1,500,000
50,000,000 (30 September 2022: 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 share capital			
		1,250,000	1,250,000
Capital Reserves			
Surplus on revaluation of property, plant and equipment - net of deferred income tax		10,698,922	10,849,580
Other capital reserve		1,239,889	1,240,909
Revenue Reserves		516,306	516,306
Accumulated losses		(3,415,327)	(3,380,018)
Equity attributable to equity holders of the Holding Company		<u>10,289,790</u>	<u>10,476,777</u>
Non-controlling interest		<u>1,793,926</u>	<u>1,670,029</u>
TOTAL EQUITY		<u>12,083,716</u>	<u>12,146,806</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	3	415,839	457,896
Lease liabilities		286,861	328,007
Deferred liabilities		827,378	833,210
Deferred income tax liability		2,842,811	2,840,932
		<u>4,372,889</u>	<u>4,460,045</u>
CURRENT LIABILITIES			
Trade and other payables		10,386,723	8,391,203
Short term borrowings		1,374,999	1,384,899
Accrued Mark-up		109,910	128,048
Current portion of non-current liabilities	3	443,846	499,224
Unclaimed dividend		1,916	1,916
Provision for taxation		146,708	137,809
		<u>12,464,102</u>	<u>10,543,099</u>
TOTAL LIABILITIES		<u>16,836,991</u>	<u>15,003,144</u>
CONTINGENCIES AND COMMITMENTS	4		
TOTAL EQUITY AND LIABILITIES		<u>28,920,707</u>	<u>27,149,950</u>

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



Chief Executive Officer

	Note	31 December 2022 Un-Audited (Rupees in thousand)	30 September 2022 Audited
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	21,218,249	21,455,737
Right-of-use assets		1,272,405	1,292,499
Intangible assets		2,005	2,291
Biological assets		27,042	30,204
Investments		5,757	6,777
Long term loans and advances		15,082	14,231
Long term deposits		120,935	122,282
		<u>22,661,475</u>	<u>22,924,021</u>
CURRENT ASSETS			
Biological assets		2,014	2,881
Stores, spare parts and loose tools		342,195	271,805
Stock-in-trade	6	3,029,372	1,323,446
Trade debts		205,827	196,935
Loans and advances		263,597	309,452
Prepayments and other receivables		1,604,365	1,329,363
Short term investment		55,000	55,000
Advance income tax		449,904	456,872
Cash and bank balances		104,383	77,600
		<u>6,056,657</u>	<u>4,023,354</u>
Non-current assets held for sale		202,575	202,575
		<u>6,259,232</u>	<u>4,225,929</u>
TOTAL ASSETS		<u><u>28,920,707</u></u>	<u><u>27,149,950</u></u>

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



Director



Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

For the First Quarter Ended 31 December 2022 (Un-Audited)

	Note	31 December 2022 (Rupees in thousand)	31 December 2021
Revenue from contracts with customers	7	6,981,643	6,026,191
Cost of sales	7	(6,087,998)	(5,834,454)
Gross profit		893,645	191,737
Distribution cost		(528,399)	(389,002)
Administrative expenses		(126,429)	(129,921)
Other expenses		(44,749)	(9,429)
Other income		27,800	47,357
Profit / (loss) from operations		221,868	(289,258)
Finance cost		(184,682)	(113,953)
Profit / (loss) before taxation		37,186	(403,211)
Taxation		(99,256)	(27,471)
Loss after taxation		(62,070)	(430,682)
Share Of Loss Attributable To:			
Equity holders of holding company		(185,967)	(383,265)
Non-controlling interest		123,897	(47,417)
		(62,070)	(430,682)
Loss per share - Basic And diluted (Rupees)		(1.49)	(3.07)

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



Chief Executive Officer



Director




Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the First Quarter Ended 31 December 2022 (Un-Audited)

	31 December 2022 (Rupees in thousand)	31 December 2021
Loss after taxation	(62,070)	(430,682)
Other comprehensive loss		
Items that will not be reclassified to profit or loss in subsequent periods:		
Deficit arising on remeasurement of investments at fair value through other comprehensive income	(1,020)	(852)
Items that may be reclassified to profit or loss in subsequent periods	-	-
Other comprehensive loss for the period	(1,020)	(852)
Total comprehensive loss for the period	<u>(63,090)</u>	<u>(431,534)</u>
SHARE OF TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:		
EQUITY HOLDERS OF HOLDING COMPANY	(186,987)	(384,117)
NON-CONTROLLING INTEREST	123,897	(47,417)
	<u>(63,090)</u>	<u>(431,534)</u>

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



Chief Executive Officer



Director



Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the First Quarter Ended 31 December 2022 (Un-Audited)

	RESERVES									ACCUMULATED LOSS	SHAREHOLDERS' EQUITY	NON-CONTROLLING INTEREST	TOTAL EQUITY	
	CAPITAL RESERVES					REVENUE RESERVES								
	SHARE CAPITAL	Premium on issue of right shares	Fair value reserve of investments at fair value through other comprehensive income	Difference of capital under scheme of arrangement of merger	Surplus on revaluation of property, plant and equipment - net of deferred income tax	Musharakah financing - equity portion	Sub total	General	Sub total					Total Reserves
----- Rupees in thousand -----														
Balance as at 30 September 2021	1,250,000	1,056,373	(11,021)	155,930	11,955,684	72,523	13,229,489	516,306	516,306	13,745,795	(3,819,927)	11,175,868	1,505,102	12,680,970
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	(171,534)	-	(171,534)	-	-	(171,534)	171,534	-	-	-
Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment - net of deferred income tax	-	-	-	-	(65,599)	-	(65,599)	-	-	(65,599)	65,599	-	-	-
Loss for the period	-	-	-	-	-	-	-	-	-	-	(383,265)	(383,265)	(47,417)	(430,682)
Other comprehensive income for the period	-	-	(852)	-	-	-	(852)	-	-	(852)	-	(852)	-	(852)
Total comprehensive income / (loss) for the period	-	-	(852)	-	-	-	(852)	-	-	(852)	(383,265)	(384,117)	(47,417)	(431,534)
Balance as at 31 December 2021	1,250,000	1,056,373	(11,873)	155,930	11,718,551	72,523	12,991,504	516,306	516,306	13,507,810	(3,966,059)	10,791,751	1,457,685	12,249,436
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	(457,927)	-	(457,927)	-	-	(457,927)	457,927	-	-	-
Adjustment of deferred income tax liability due to re-assessment at year end	-	-	-	-	(486,373)	-	(486,373)	-	-	(486,373)	-	(486,373)	-	(486,373)
Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment	-	-	-	-	(58,368)	-	(58,368)	-	-	(58,368)	58,368	-	-	-
Conversion of partial musharakah facility in to short term borrowing	-	-	-	-	-	(31,082)	(31,082)	-	-	(31,082)	19,449	(11,633)	(10,572)	(22,205)
Loss for the period	-	-	-	-	-	-	-	-	-	-	171,392	171,392	105,755	277,147
Other comprehensive income for the period	-	-	(962)	-	133,697	-	132,735	-	-	132,735	(121,095)	11,640	117,161	128,801
Total comprehensive loss for the period	-	-	(962)	-	133,697	-	132,735	-	-	132,735	50,297	183,032	222,916	405,948
Balance as at 30 September 2022	1,250,000	1,056,373	(12,835)	155,930	10,849,580	41,441	12,090,489	516,306	516,306	12,606,795	(3,380,018)	10,476,777	1,670,029	12,146,806
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	(150,658)	-	(150,658)	-	-	(150,658)	150,658	-	-	-
Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment - net of deferred income tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss for the period	-	-	-	-	-	-	-	-	-	-	(185,967)	(185,967)	123,897	(62,070)
Other comprehensive income for the period	-	-	(1,020)	-	-	-	(1,020)	-	-	(1,020)	-	(1,020)	-	(1,020)
Total comprehensive loss for the period	-	-	(1,020)	-	-	-	(1,020)	-	-	(1,020)	(185,967)	(186,987)	123,897	(63,090)
Balance as at 31 December 2022	1,250,000	1,056,373	(13,855)	155,930	10,698,922	41,441	11,938,811	516,306	516,306	12,455,117	(3,415,327)	10,289,790	1,793,926	12,083,716

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


Chief Executive Officer


Director

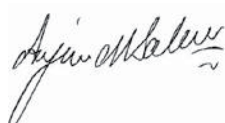

Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the First Quarter Ended 31 December 2022 (Un-Audited)

	Note	31 December 2022	31 December 2021
		Rupees in thousand	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	8	496,177	2,427
Finance cost paid		(151,891)	(92,585)
Net decrease in long term advances		(851)	94
Net decrease / (increase) in long term security deposits		1,347	823
Employees' benefits paid		(16,795)	(2,844)
Income tax paid		(80,218)	(69,407)
Net cash generated from / (used in) operating activities		247,769	(161,492)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(67,027)	(36,471)
Proceeds from disposal of property, plant and equipment		368	193,601
Net cash (used in) / from investing activities		(66,659)	157,130
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		(9,900)	-
Repayment of long term financing		(89,316)	(95,163)
Proceeds from long term financing		-	-
Lease liabilities - net		(55,111)	(83,753)
Dividend paid		-	(27)
Net cash used in financing activities		(154,327)	(178,943)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		26,783	(183,305)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD		77,600	284,226
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD		104,383	100,921

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



Chief Executive Officer



Director



Chief Financial Officer

SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the First Quarter Ended 31 December 2022 (Un-Audited)

1. The Group and its Operations

The Group consists of Shakarganj Limited (the Holding Company) and its Subsidiary Company, Shakarganj Food Products Limited. Brief profiles of the Holding Company and its Subsidiary Company are as follows:

1.1 Shakarganj Limited

Shakarganj Limited (SML) is a public limited company incorporated on 20 September 1967 in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017) and is listed on Pakistan Stock Exchange Limited. It is principally engaged in manufacture, purchase and sale of sugar, biofuel and yarn. SML has its principal manufacturing facilities at Jhang and satellite manufacturing facilities at Bhone. The registered office of SML is situated at E-Floor, IT Tower, 73-E/1, Hali Road, Gulberg-III, Lahore.

The Holding Company has suffered loss after taxation of Rs. 185.967 million and its accumulated losses are of Rs. 3,301.728 million as at 31 Dec 2022. The current liabilities of the Company exceeded its current assets by Rs. 3,656.595 million. Moreover, the Holding Company has overdue statutory obligations. Furthermore Textile segment of the Holding Company remained closed during the whole year. Certain shareholders of the Holding Company have applied to 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 Holding Company. These factors indicate the existence of material uncertainty which may cast significant doubt about the Holding Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, these financial statements have been prepared on going concern basis due to following reasons:

- The Holding Company is making arrangements to sell its agriculture land having market value of Rs. 755.547 million. For this purpose, approval of shareholders has been obtained in Annual General Meeting of the Holding Company held on 28 February 2022 subject to further orders of Lahore High Court, Lahore and Sindh High Court, Karachi along with no objection from lenders. The proceeds through disposal of land will be utilized by the Holding Company to pay to sugarcane growers and to settle the other liabilities of the Holding Company while the remaining proceeds will be utilized for upgradation of plant and machinery of textile and sugar divisions at Jhang.

- The management of the Holding Company has firmed up a turnaround plan based on disposal of the Bhone Unit of the Holding Company which includes Sugar and Biofuel divisions. Book value of freehold land, building and plant and machinery as at 31 Dec 2022 is Rs. 7.968 billion. Price discovery by the management for the whole Bhone Unit of the Holding Company including related licenses / rights when built in the future plan results in debt free business, surplus funds and profits for the Holding Company. The management has planned to seek required approvals for roll out of the turnaround plan before the end of financial year 30 Sep 2023.

- One of the largest shareholders of the Holding Company has affirmed its commitment to fully financially support the Holding Company, in case of any need.

- The Holding Company undertook significant operational measures during the year to improve its productivity. During the year, the Holding Company has crushed 322 795 MT of sugarcane which has increased by almost 23% as compared to 262 951 MT of sugarcane crushed in the corresponding year and produced 29 626 MT of sugar in current season which has increased by more than 40% as compared to 21 214 MT of sugar in the corresponding year. Moreover the Holding Company

produced 1 431 513 liters of biofuel during the year which has been increased by 100% as compared to corresponding year. This will favorably affect the financial position and performance of the Holding Company in the next year.

- The Holding Company is in the process of installing the falling film evaporator at principal unit and satellite unit also. Falling film evaporators are alternative to Robert type evaporators and helps to improve the optimization of the evaporator's station and energy efficiency of the plant. The percentage of steam's usage will be reduced by 9%. It would also increase the recovery ratio accordingly.

- The Holding Company remains committed to its best efforts to improve liquidity portion. The financial projections of the Holding Company show improvements in cash generation and profits. The management considers that the measures as explained above would result in availability of adequate financial resources for the Holding Company to sustain the continuity of its business for the foreseeable future and thus maintain its going concern status. Accordingly, the financial statements of the Holding Company have been prepared on a going concern basis which assumes that the Holding Company will continue to operate its business, realize its assets, and discharge its liabilities, in the normal course of business.

Shakarganj Food Products Limited

Shakarganj Food Products Limited (SFPL) was incorporated in Pakistan initially as a private limited company on 03 April 2001 under the Companies Ordinance, 1984 (Now Companies Act, 2017). Its name was later changed from A.M. Fruit Products (Private) Limited to Shakarganj Food Products Limited along with change of its status from private limited to public limited on 03 January 2006. The principal activity of the SFPL is manufacturing, processing and sale of food products (dairy, fruit pulps and concentrate juices). The registered office of SFPL is situated at E-Floor, IT Tower, 73-E/1, Hali Road, Gulberg-III, Lahore.

SML held 52.39% shares of SFPL as at 31 December 2022 (September 2022: 52.39%)

2. Summary of Significant Accounting Policies

2.1. Basis of preparation

a) Statement of compliance

- i). These consolidated condensed interim financial statements have 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; 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, the provisions of and directives issued under the Companies Act, 2017 have been followed.
- ii). These consolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Group for the year ended 30 September 2022. These consolidated condensed interim financial statements are un-audited and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and section 237 of the Companies Act, 2017.

b) Accounting policies and computation methods

The accounting policies and methods of computation adopted in the preparation of these consolidated financial statements are the same as approved in the preparation of the audited annual financial statements of the Group for the year ended 30 September 2022.

2.2. Critical accounting estimates, judgments and financial risk management

The preparation of these consolidated condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of these consolidated condensed interim financial statements, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual financial statements of the Group for the year ended 30 September 2022.

The Group's financial risk management objectives and policies are consistent with those disclosed in the preceding annual audited financial statements of the Group for the year ended 30 September 2022.

2.3. Seasonality of operations

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

3. Long Term Financing

	31 December 2022 Un-Audited (Rupees in thousand)	30 September 2022 Audited
Opening balance	669,309	1,276,702
Add:		
Unwinding of discount / Fair value adjustment	5,846	35,929
Less:		
Conversion to running musharakah / short term borrowings	-	(97,797)
Repaid during the period / year	(89,316)	(545,525)
	<u>585,839</u>	<u>669,309</u>
Less: Current portion shown under current liabilities	(170,000)	(211,413)
	<u>415,839</u>	<u>457,896</u>

4. Contingencies and Commitments

4.1. Contingencies

There is no material change in the status of contingencies as set out in note 13 (a) to the consolidated financial statements of the Company for the year ended 30 September 2022.

4.2. Commitments

- i). Contracts for capital expenditure of Group are of Rs. Nil as at 31 December 2022 (30 September 2022: Rs. Nil).

- ii). Ijarah (operating lease) commitments are of Rs. 11,501 million as at 31 December 2022 (30 September 2022: Rs. 15,862 million).

	Note	31 December 2022 Un-Audited (Rupees in thousand)	30 September 2022 Audited
5. Property, plant and equipment			
Operating fixed assets	5.1	20,837,102	21,074,204
Capital work-in-progress		381,147	381,533
		<u>21,218,249</u>	<u>21,455,737</u>
5.1 Operating fixed assets			
Opening book value		21,074,204	22,239,821
Add: Cost of addition during the period / year	5.1.1	67,413	46,692
Revaluation surplus		-	290,744
Transferred from non-current assets held for sale		-	95,725
		<u>21,141,617</u>	<u>22,672,982</u>
Less: Book value of deletion during the period / year		124	166,666
Less: Transferred to non-current assets held for sale		-	112,327
		<u>124</u>	<u>278,993</u>
		21,141,493	22,393,989
Less: Depreciation charged during the period / year		304,391	1,319,785
Closing book value		<u>20,837,102</u>	<u>21,074,204</u>
5.1.1 Cost of additions during the period / year			
Building		-	3,982
Plant and machinery		65,780	32,001
Tools and equipment		-	251
Water, electric and weighbridge equipment		-	24
Office equipment		286	2,793
Furniture and fixture		-	3,320
Vehicle		1,347	4,321
		<u>67,413</u>	<u>46,692</u>
		31 December 2022 Un-Audited (Rupees in thousand)	30 September 2022 Audited
6. Stock-in-Trade			
Raw materials		849,856	363,028
Packing material		414,220	409,041
Work-in-process		230,833	11,399
Finished goods		1,534,463	539,978
		<u>3,029,372</u>	<u>1,323,466</u>

7. SEGMENT INFORMATION

7.1

	(Unaudited)																	
	Sugar		Biofuel		Textile		Farms		Dairy		Juice		Others		Elimination of Inter-segment		Total	
	First Quarter Ended	31 Dec	First Quarter Ended	31 Dec	First Quarter Ended	31 Dec	First Quarter Ended	31 Dec	First Quarter Ended	31 Dec	First Quarter Ended	31 Dec	First Quarter Ended	31 Dec	First Quarter Ended	31 Dec	First Quarter Ended	31 Dec
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenue	----- Rupees in thousand -----																	
External Intersegment	1,099,746	1,615,370	402,705	33,650	-	12,607	-	12,574	5,423,976	4,321,051	55,216	30,939	-	-	-	-	6,981,643	6,026,191
	151,729	13,615	-	-	-	-	-	2,028	-	-	-	3,345	-	-	(151,729)	(18,988)	-	-
Cost of sales	1,251,475	1,628,985	402,705	33,650	-	12,607	-	14,602	5,423,976	4,321,051	55,216	34,284	-	-	(151,729)	(18,988)	6,981,643	6,026,191
	(1,469,496)	(1,764,700)	(347,822)	(146,271)	(15,948)	(29,601)	(205)	(15,415)	(4,357,667)	(3,853,478)	(48,589)	(43,977)	-	-	151,729	18,988	(6,087,998)	(5,834,454)
Gross (loss) / profit	(218,021)	(135,715)	54,883	(112,621)	(15,948)	(16,994)	(205)	(813)	1,066,309	467,573	6,627	(9,693)	-	-	-	-	893,645	191,737
Distribution cost	(3,083)	(3,258)	(8,572)	(7,201)	(246)	(275)	-	-	(511,484)	(377,338)	(5,014)	(930)	-	-	-	-	(528,399)	(389,002)
Administrative expenses	(57,263)	(76,292)	(18,426)	(1,576)	(11,836)	(9,683)	-	(254)	(38,903)	(42,115)	-	-	-	-	-	-	(126,429)	(129,921)
	(60,346)	(79,550)	(26,998)	(8,777)	(12,082)	(9,958)	-	(254)	(550,387)	(419,453)	(5,014)	(930)	-	-	-	-	(654,828)	(518,923)
(Loss) / profit before taxation and unallocated income and expenses	(278,367)	(215,265)	27,885	(121,398)	(28,030)	(26,952)	(205)	(1,067)	515,922	48,120	1,613	(10,623)	-	-	-	-	238,817	(327,186)
Unallocated income and expenses																		
Other expenses																	(44,749)	(9,429)
Finance cost																	(184,682)	(113,953)
Other income																	27,800	47,357
Taxation																	(99,256)	(27,471)
Loss after taxation																	(62,070)	(430,682)

7.2 Reconciliation of reportable segment assets and liabilities:

	(Unaudited)														(Audited)			
	Sugar		Biofuel		Textile		Farms		Dairy		Juice		Others		Total			
	31 Dec	30 Sep	31 Dec	30 Sep	31 Dec	30 Sep	31 Dec	30 Sep	31 Dec	30 Sep	31 Dec	30 Sep	31 Dec	30 Sep	31 Dec	30 Sep	2022	2022
	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022		
Total assets for reportable segments	10,917,936	9,769,166	5,460,019	5,130,872	579,369	590,394	648,563	649,536	10,209,153	10,089,642	575,129	605,522	-	-	28,390,169	26,835,132		
															530,538	314,818		
Total assets as per consolidated condensed interim statement of financial position															28,920,707	27,149,950		
Total liabilities for reportable segments	6,654,765	5,003,130	1,731,087	1,481,308	123,468	211,319	18,023	20,430	6,857,963	6,888,297	279,574	282,866	-	-	15,664,880	13,887,350		
															1,172,111	1,115,794		
Total liabilities as per consolidated condensed interim statement of financial position															16,836,991	15,003,144		

	NOTE	Un-Audited	
		31 December 2022 (Rupees in thousand)	31 December 2021
8. CASH GENERATED FROM OPERATIONS			
Profit / (loss) before taxation		37,186	(403,211)
Adjustments for non-cash charges and other items:			
Depreciation on fixed assets		304,391	327,947
Depreciation on leased assets		18,020	18,020
Amortization of intangible asset		286	286
Gain on sale of property, plant and equipment		(244)	(25,847)
Finance cost		184,682	113,953
Exchange loss		886	104
Provision for employees' retirement benefits		11,226	10,338
Amortization of deferred income		(263)	(276)
Fair value adjustment of agricultural assets		-	2,788
Unrealized loss / (gain) on agriculture income		3,162	1,296
Working capital changes	8.1	(63,155)	(42,971)
		<u>496,177</u>	<u>2,427</u>
8.1 Working capital changes			
(Increase) / decrease in current assets:			
Stock-in-trade		(1,705,926)	320,895
Trade debts		(8,892)	(4,430)
Stores, spare parts and loose tools		(70,390)	(40,786)
Loans and advances		45,855	(165,011)
Prepayments and other receivables		(275,106)	292,771
Biological assets - net		867	1,204
		(2,013,592)	404,643
(decrease) / increase in trade and other payables		1,950,437	(447,614)
		<u>(63,155)</u>	<u>(42,971)</u>

9. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated companies, key management personnel and post-employment benefit plans. The Group in the normal course of business carries out transactions with various related parties as follows:

	Un-Audited	
	31 December 2022 (Rupees in thousand)	31 December 2021
i) Transactions		
Associated companies		
Purchase of goods	-	81,792
Common expenses shared	1,614	1,559
Insurance expenses	1,993	1,481
Sale of goods and rendering of services	1,042	80,909
Markup on borrowing	29,654	13,349
Ijarah rentals	30	87

	Un-Audited	
	31 December 2022	31 December 2021
	(Rupees in thousand)	
Other related parties		
Holding Company's contribution to employees retirement benefits	3,140	6,589
Godown and guest house rent	658	2,315
Share of common expenses	639	2,575
Remuneration paid to Chief Executive Officer, directors and executives	92,282	95,929
	31 December 2022	30 September 2022
	(Rupees in thousand)	
ii) Period end balances		
Associated companies		
Trade and other payables	19,564	40,618
Cash and bank balances	17,250	12,862
Short term borrowings	625,000	625,000
Accrued Markup	25,317	7,376
Other related parties		
Trade and other payables	405,695	393,911
Loans and advances	20,333	16,811

10. Date of Authorization of Issue

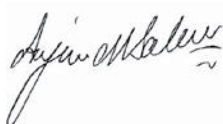
These consolidated condensed interim financial statements were approved and authorized for issue on 31 January 2023 by the Board of Directors of the Company.

11. 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.

12. General

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.



Chief Executive Officer



Director



Chief Financial Officer

ڈائریکٹرز کی مجتمع رپورٹ

شکر گنج لمیٹڈ کے ڈائریکٹرز 31 دسمبر 2022 کو ختم ہونے والے پیریڈ کے لئے گروپ کے غیر آڈٹ شدہ مجتمع مالی حسابات کے ساتھ اپنی رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔ اس گروپ میں شکر گنج لمیٹڈ اور اس کی جزوی طور پر ملکیتی ماتحت ادارہ شکر گنج فوڈ پروڈکٹس لمیٹڈ ہے۔

31 دسمبر 2022 کو ختم ہونے والے پیریڈ کے لئے شکر گنج لمیٹڈ کی کارکردگی سے متعلق تبصروں کو ڈائریکٹرز کی رپورٹ میں الگ سے پیش کیا گیا ہے۔

گروپ کے مالیاتی نتائج:

گروپ کے مالیاتی نتائج کا خلاصہ حسب ذیل ہے:

روپے ہزاروں میں

31 دسمبر 2021	31 دسمبر 2022	
6,026,191	6,981,643	آمدن
191,737	893,645	مجموعی منافع
(289,258)	221,868	آپریٹنگ منافع / نقصان
(403,211)	37,186	قبل از ٹیکس منافع / نقصان
(27,471)	(99,256)	ٹیکسیشن
(430,682)	(62,070)	بعد از ٹیکس نقصان
(3.07)	(1.49)	نقصان فی شیئر - بنیادی اور معتدل (روپے)

ایک مجتمع بنیاد پر، مجموعی منافع پچھلے سال کی اسی مدت میں 191.74 ملین روپے کے مقابلے میں 893.65 ملین روپے تھا۔ ہم مالی سال کے بقیہ حصے میں ڈیمانڈ میں اضافے کے ساتھ مجموعی طور پر گروپ کی کارکردگی میں اور بہتری کے لئے پرامید ہیں۔

گروپ کی بنیاد پر، مجتمع بیلنس شیٹ 30 ستمبر 2022 کے 27,149.95 ملین روپے کے مقابلے میں 28,920.71 ملین روپے پر رہی۔ ٹوٹل ایکویٹی 30 ستمبر 2022 کے 12,146.81 ملین روپے کے مقابلے میں 12,083.72 ملین روپے تک کم ہو گئی۔


بعد کے واقعات اور وعدے

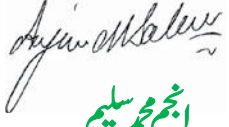
مالی سال جس سے یہ بیلنس شیٹ متعلقہ ہے کے اختتام اور ڈائریکٹرز رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حالت پر اثر انداز ہونے والی کوئی مادی تبدیلیاں وقوع پذیر اور وعدے نہیں کئے گئے ہیں۔

اظہار تشکر

ڈائریکٹرز کمپنی کے عملے اور کارکنوں کی کمپنی کے لئے لگن اور جان نثاری کو سراہتے ہیں۔ ڈائریکٹرز حصص داران، بینیکوں اور شریک تمام جماعتوں کی مسلسل دلچسپی اور حمایت کی تعریف کا اظہار کرنے میں خوشی محسوس کرتے ہیں اور امید رکھتے ہیں کہ مستقبل میں بھی یہی جذبہ غالب رہے گا۔

منجانب بورڈ


علی الطاف سلیم
ڈائریکٹر


انجم محمد سلیم
چیف ایگزیکٹو آفیسر

31 جنوری 2023ء

31 دسمبر 2022 پینلٹس شیٹ 30 ستمبر 2022 کے 18,562.01 ملین روپے کے مقابلے میں 20,218.53 ملین روپے پر رہی۔ مجموعی شیئر ہولڈرز فنڈ 30 ستمبر 2022 کے 10,508.40 ملین روپے کے مقابلے میں 10,321.41 ملین روپے تک کم ہو گیا۔ 30 ستمبر 2022 کی بریک اپ ویلیو 84.07 روپے کے مقابلے میں بریک اپ ویلیو 82.57 روپے تھی۔

صحت، حفاظت، ماحول اور کارپوریٹ سماجی ذمہ داری

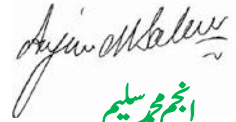
ایک محفوظ اور صحت مند کام کے ماحول کو یقینی بنانے کے لیے، کمپنی اپنے صحت اور حفاظت کے طریقوں کو ملک میں وبائی امراض کی مختلف اقسام کے خلاف موجودہ حالات کی ترقی کے مطابق ڈھال رہی ہے۔ کمپنی کے احاطے کے اندر سخت چیکنگ کو یقینی بنایا گیا ہے اور اقدامات میں عملے کی درجہ بندی بھی شامل ہے جو بلا تعطل کارروائیوں کے لیے دفتر میں موجود ہونا ضروری ہے، جبکہ دوسرے عملے کو جہاں بھی ضرورت ہو گھر سے کام پر منتقل کر دیا جاتا ہے۔ تکنیکی ترقیات نے کم سے کم جسمانی تعامل کو مجازی میٹنگز میں تبدیل کر کے ممکن بنایا ہے۔ مزید برآں ہم فعال طور پر ان کیوٹنیز میں حصہ ڈالنے کے مواقع تلاش کرتے ہیں جن میں ہم کام کرتے ہیں اور ان ماحول کو بہتر بنانے کے لیے جو ہم سب کو برقرار رکھتے ہیں۔ ہمارے بنیادی توجہ کے شعبے تعلیم، صحت اور حفاظت، توانائی کا تحفظ، فضلہ میں کمی، اور کمیونٹی کی تعمیر ہیں جہاں ہم کمپنی کی مالی حالت کو مد نظر رکھتے ہوئے محدود وسائل کے ساتھ برداشت کر سکتے ہیں۔

مستقبل کا نقطہ نظر

سیزن کے بقیہ حصے میں شوگر کی کرشنگ اور ریکوری میں نمایاں اضافہ متوقع ہے۔ چینی کی برآمدات سے قیمت کا منظر نامہ بھی بہتر ہونے کی امید ہے۔ ہماری ڈسٹریبز کے کاموں کا مستقبل کا نقطہ نظر ہمیشہ اچھے معیار کے مولاس کی مسلسل دستیابی پر منحصر ہوتا ہے۔ اور اس لیے ہم نے پچھلے سال کی اسی مدت کے مقابلے میں 80% سے زیادہ مولاس خریدی ہے۔ بائیو فیول ڈویژن میں آپریشنز شروع کر دیے گئے ہیں اور توقع ہے کہ شوگر ڈویژن کے اپنے مولاس اور بلک خریداری کے ساتھ کام کریں گے۔ ٹیکسٹائل کے کاروبار میں مشکل کاروباری ماحول کی وجہ سے، مارکیٹ میں مثبت ترقی تک بندش جاری رہنے کی توقع ہے۔ جیسا کہ ہماری آخری سالانہ رپورٹ میں بتایا گیا ہے، انتظامیہ لیکویڈیٹی کی کمی پر قابو پانے کے لیے اقدامات کر رہی ہے اور ہمیں امید ہے کہ کمپنی مستقبل قریب میں کامیاب ہو جائے گی۔

آخر میں، ہم تمام اسٹیک ہولڈرز کی سرپرستی کے لیے ان کا شکریہ ادا کرنا چاہیں گے اور ان کی مسلسل حمایت کے منتظر ہیں۔

منجانب بورڈ



انجم محمد سلیم

چیف ایگزیکٹو آفیسر



علی الطاف سلیم

ڈائریکٹر

31 جنوری 2023ء

ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز اپنی رپورٹ اور 31 دسمبر 2022 کو ختم ہونے والی پہلی سہ ماہی کے لئے کمپنی کے غیر مجتمع عبوری مالی بیانات پیش کرنے پر خوش ہیں۔

مالی اور آپریشنل کارکردگی

گنے کی کرشنگ کا ایک اور چیلنجنگ سیزن 300 روپے فی 40 کلوگرام کی اضافی امدادی قیمت، جیسا کہ پنجاب حکومت نے نوٹیفائی کیا ہے، کے ساتھ شروع ہو گیا ہے۔ پاکستان میں بدترین سیلاب کے باوجود، گنے کی فصل خطے میں سب سے کم متاثر ہونے والی فصلوں میں سے ایک رہی۔ رپورٹس کے مطابق، گنے کی کاشت کے رقبے میں نسبتاً بہتری آئی ہے تاہم چینی کی فروخت کی قیمت اور اس پر مسلسل دباؤ کے ساتھ حکومت کی پالیسی سے مارکیٹ کی قوتوں کو قیمتوں کے تعین کے لیے آزادانہ طور پر کھیلنے کی اجازت نہیں دی گئی جس سے صنعت کو نقصان ہو رہا ہے۔ کمپنی نے کرشنگ مہم شروع کی جس میں چینی کی ریکوری فیصد اور کرشنگ میں نمایاں اضافہ ہوا۔ تاہم، موجودہ مروجہ سیاسی منظر نامہ اور مجموعی طور پر افراط زر کا دباؤ کاروبار کو شدید متاثر کر سکتا ہے۔ کمپنی بہتر مارجن کے ساتھ معیاری گنے کی کرشنگ کر کے ریکوری میں مزید اضافہ کرنے کی پوری کوشش کرے گی۔ برآمد کی اجازت کے ساتھ، ہم گنے کی بڑھی ہوئی امدادی قیمت کے مقابلے میں برقرار مارجن کے لیے چینی کی قیمتوں میں کچھ اضافے کی توقع کرتے ہیں۔ ہمارے بائیو فیول کا کاروبار بھی اس بار مثبت انداز میں شروع ہوا ہے اور انتظامیہ اپنی برآمدات کو بڑھانے کے لیے بڑے پیمانے پر مواصلات کی خریداری کا منصوبہ بنا رہا ہے۔ یارن مارکیٹ کی مجموعی صورتحال اور ٹیکسٹائل کے کاروبار میں مشکل کاروباری ماحول کی وجہ سے ہمارے ٹیکسٹائل کے کاروبار میں اب تک کوئی سرگرمی شروع نہیں ہوئی۔

کمپنی 262,951 میٹرک ٹن گنے کے مقابلے میں 322,795 میٹرک ٹن گنے کو کرش کرنے کے قابل رہی۔ گنے کی کرشنگ میں %23 فیصد اضافہ ہوا۔ چینی کی ریکوری پچھلے سال اس پیراڈ کے 8.93 فیصد کے مقابلے میں 9.79 فیصد رہی۔ شکر گنج کے لیے گنے کی اوسط قیمت پچھلے سال 253 روپے فی 40 کلوگرام کے مقابلے میں 303 روپے فی 40 کلوگرام تک بڑھ گئی۔

پہلی سہ ماہی 31 دسمبر 2022 کے دوران، کمپنی کی مجموعی فروخت سے آمدنی 1,510.4 ملین روپے (1,680.1:1QFY2022 ملین روپے) رہی اور کمپنی کا مجموعی خسارہ پچھلے سال کے اسی عرصے کے مجموعی خسارے 266 ملین روپے کے برعکس 179 ملین روپے رہا۔ ٹیکس سے پہلے کمپنی کا خسارہ پچھلی مدت کے 413 ملین روپے کے مقابلے میں 223 ملین روپے تھا۔

کاروباری شعبہ جات

شوگر ڈویژن

مالی سال 2023 کی پہلی سہ ماہی میں شوگر ڈویژن کی آمدنی پچھلے سال کی خالص فروخت 1,621.22 ملین روپے اور انٹر سیگمنٹ فروخت 7.77 ملین روپے کے مقابلے میں 1,107.69 ملین روپے اور انٹر سیگمنٹ فروخت 143.79 ملین روپے رہی۔ ہمارے شوگر ڈویژن نے پچھلے سال 262,951 میٹرک ٹن گنا کرش کر کے 8.93 فیصد کی ریکوری سے 21,214 میٹرک ٹن چینی پیدا کرنے کے مقابلے میں 322,795 میٹرک ٹن گنا کرش کیا اور 9.79 فیصد کی ریکوری سے 29,626 میٹرک ٹن چینی پیدا کی۔ شوگر کی ریکوری میں بہتری دیکھی گئی ہے، تاہم، گنے کی زیادہ قیمت اور ساتھ ہی ساتھ ڈیل مین کی شمولیت نے سیزن کے وسط میں کرشنگ مہم میں رکاوٹ ڈالی ہے۔ خام مال کی قیمتوں میں اضافے کی وجہ سے رواں سال کے دوران اس کاروبار کو پچھلے سال کے اسی عرصے کے دوران مجموعی طور پر 8.33 فیصد نقصان کے مقابلے میں 17.42 فیصد کا مجموعی نقصان ہوا ہے۔ بوٹم لائن پچھلے سال کے اسی عرصے میں ٹیکس اور غیر مختص اخراجات سے پہلے 215.27 ملین روپے خسارے کے مقابلے میں ٹیکس اور غیر مختص اخراجات سے پہلے 278.37 ملین روپے کا خسارہ ہوا۔

بائیو فیول ڈویژن

بائیو فیول ڈویژن کی خالص فروخت آمدنی پچھلے سال اس عرصے کے دوران 33.65 ملین روپے کے مقابلے میں 402.71 ملین روپے تھی۔ اس مدت میں پچھلے سال کے 112.62 ملین روپے خسارہ کے مقابلے میں 54.88 ملین مجموعی منافع روپے رہا۔ بوٹم لائن پچھلے سال کے اسی عرصے میں ٹیکس اور غیر مختص اخراجات سے پہلے 121.40 ملین روپے خسارے کے مقابلے میں ٹیکس اور غیر مختص اخراجات سے پہلے 27.89 ملین روپے کا منافع ہوا۔ زیر جائزہ مدت کے دوران، اس ڈویژن نے پچھلے سال کی اسی مدت میں صفر پروڈکشن کے مقابلے میں 1.43 ملین لیٹرز کی پیداوار کی۔

ٹیکسٹائل ڈویژن

زیر جائزہ مدت کے دوران ملز کی بندش کی وجہ سے ٹیکسٹائل ڈویژن میں کوئی پیداوار نہیں ہوئی۔



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