



Shakarganj
Limited



CONDENSED INTERIM REPORT
FOR THE HALF YEAR ENDED
31 MARCH 2023

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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
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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

Legal Advisor

Saad Rasool Law Associates

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.

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 are pleased to present the condensed interim financial statements of the Company for the half year ended 31 March 2023.

Financial and Operational Performance:

Despite late start of crushing campaign by 15 days as to previous season, during the period under review Company was able to crush 1,019,181 MT of sugarcane as compared to 1,288,891 MT of sugarcane in the corresponding period.

We achieved the historically high sugar recovery of 10.26 % at Shakarganj during current season. However, the crushing campaign was dramatically closed on 02 March 2023 due to non-availability of sugarcane in Jhang sugar units, even the crushing stopped on 25 February 2023 at Bhone Sugar Unit. This was a second shortest crushing season in the history of Shakarganj which lasted for only 88 days as compared to 132 days in the last year. Crushing season was started on 05 December 2022 and was smoothly running till mid January when suddenly various sugar mills started being closed due to no cane. In spite of very challenging situation, your Company managed to crush 1,019,181 MT of sugarcane as compared to 1,288,891 MT of sugarcane in the corresponding period.

Season started with highest ever sugarcane notified support price of Rs. 300 per 40 kg in Punjab. This was a big challenge because the sugar price was neither fixed rather adversely controlled by Government by taking various measures. Sugarcane was procured at considerably higher price resulting tough competition among the mills. Our Biofuel business has also contributed positively but due to unexpected short season, our molasses procurement campaign has suffered. The management had aggressively pursued molasses procurement before start of the season. Thus, Shakarganj was able to procure 33% more molasses as compared to corresponding period last year. Our textile business has suffered due to overall situation in the yarn market as the difficult business environments continued in the textile business, therefore, the plant could not be operated during this period.

In spite of all the challenges during the six-month period under review, the Company earned gross profit of Rs. 384.38 million as compared to gross profit of Rs. 338.33 million during corresponding period last year. Profit from operations was Rs. 175.80 million compared to profit from operations of Rs. 130.80 million during corresponding period last year. Company post profit before tax of Rs. 181.42 and after tax profit of Rs. 211.69 million as compared to after tax loss of Rs. 38.88 million in the corresponding period of last year. The Company accounted for its share of profit in equity accounted investment in Shakarganj Food Products Limited amounting to Rs. 180 million as compared to profit of Rs. 15.50 million in the corresponding period.

Business Segments:

Sugar Division:

Sugar Division revenue net of tax for the first half of Fiscal 2023 was Rs. 7,691 million and inter-segment sale of this division was Rs. 1,388 million as against net sales revenue of Rs. 8,512 million and inter-segment sale of Rs. 928 million during corresponding period of last year. The Sugar Division crushed 1,019,181 MT (HYFY22: 1,288,891 MT) of sugarcane to produce 104,540 MT (HYFY22: 119,308 MT) of sugar at an average recovery rate of 10.26 percent (HYFY22: 9.40 percent).

The gross profit margin remained 2.60% during the current period compared to gross profit of 3.86% during the corresponding period of last year. The bottom line resulted in profit before tax of Rs. 76.02 million as compared to profit before tax of Rs. 179.33 million for the corresponding period last year.

Biofuel Division:

Net sales revenue of Biofuel Division during the period amounted to Rs. 1,266 million with inter segment sale of Rs. 32 million as compared to net sales revenue of Rs. 461 million with inter segment sale of Rs. 23 million during the corresponding period. There was gross profit for the period of Rs. 181.67 million as compared to gross profit of Rs. 7.30 million in corresponding period last year. The bottom-line resulted in profit before tax of Rs. 93.92 million as compared to loss before tax of Rs. 35.27 million for the corresponding period last year. The production of this division was 9.93 million litres (HYFY22: 10.02 million litres).

Textile Division:

During the period under review due to no operations there was no production in Textile Division as the same was case in previous period.

Unconsolidated Financial Position

Balance sheet footing stood at Rs. 20,027.52 million as of 31 March 2023 compared to Rs 18,562.01 million on 30 September 2022. Total shareholders' fund increased to Rs. 10,718.40 million from Rs. 10,508.40 million as at 30 September 2022. Break-up value per share was Rs. 85.75.

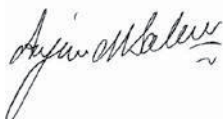
Future Outlook:

Due to short season, raw material for our biofuel operations is not available at feasible prices. Future outlook of our distilleries operations is always depending on continuous availability of good quality molasses. Operations at Biofuel Division are expected to continue with limited availability of molasses if any. Difficult business environments in the textile business as in view of liquidity crunch and high cost of raw material, the operations could not be started yet. As mentioned in our last annual report, management is taking steps to overcome the liquidity crunch and we are hopeful that the Company will be back in profitable state as operational results dictate so far. In spite of all the challenges, we remain committed to navigating through these tough times.

The Company remains committed to its best efforts to achieve better performance and to improve its liquidity scenario. Various steps were being taken to overcome the liquidity crunch as details given in Note 1.2 to the condensed interim financial statements attached herewith as all out efforts were being made to improve the production and profitability of the Company through efficiency, effectiveness, and reducing the production cost. The management considers that the measures explained 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. Profitability achieved by the Company during first half of the fiscal year would hopefully be continued and this will also help to achieve the overall desired targets.

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

30 May 2023

Unconsolidated Condensed Interim
Financial Statements (Un-audited)
For the Half Year ended 31 March 2023
(Shakarganj Limited)



Independent Auditor's Review Report

To the members of Shakarganj Limited

Report on review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Shakarganj Limited as at 31 March 2023 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and fair presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review. The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the quarters ended 31 March 2023 and 31 March 2022 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 March 2023.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of unconsolidated condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

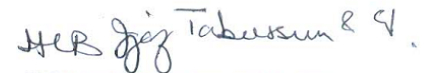
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements are not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

We draw attention to Note 1.2 to the unconsolidated condensed interim financial statements which states that the Company has accumulated losses of Rs. 2,751.845 million as at the reporting date the current liabilities of the Company exceeded its current assets by Rs. 2,968.638 million. These conditions along with other matters as stated in Note 1.2 to the unconsolidated condensed interim financial statements indicate the existence of material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. Our report is not qualified in respect of this matter.

The engagement partner on the review resulting in this independent auditor's review report is Mr. Ijaz Akber - FCA.



HLB IJAZ TABUSSUM & CO.
Chartered Accountants

Islamabad

Date: 30 May 2023

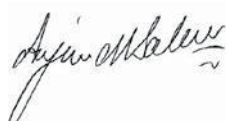
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UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 MARCH 2023 (Un-audited)

	Note	31 March 2023 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			
125,000,000 (30 September 2022: 125,000,000) ordinary shares of Rs. 10 each		1,250,000	1,250,000
Reserves			
Capital Reserves			
Surplus on revaluation of property, plant and equipment - net of deferred income tax		9,968,530	10,256,630
Other capital reserve		1,735,406	1,751,879
		<u>11,703,936</u>	<u>12,008,509</u>
Revenue Reserves			
General reserve		516,306	516,306
		<u>13,470,242</u>	<u>13,774,815</u>
Accumulated losses			
		<u>(2,751,845)</u>	<u>(3,266,419)</u>
TOTAL EQUITY		<u>10,718,397</u>	<u>10,508,396</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	3	211,765	-
Employees' retirement benefits		442,420	421,960
Deferred income tax liability		2,896,334	3,052,924
		<u>3,550,519</u>	<u>3,474,884</u>
CURRENT LIABILITIES			
Trade and other payables		4,809,070	3,409,852
Short term borrowings		672,500	935,000
Accrued Mark-up		24,021	52,735
Current portion of non-current liabilities	3	13,235	41,413
Unclaimed dividend		1,916	1,916
Provision for taxation		237,862	137,809
		<u>5,758,604</u>	<u>4,578,725</u>
TOTAL LIABILITIES		<u>9,309,123</u>	<u>8,053,609</u>
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES	4	<u>20,027,520</u>	<u>18,562,005</u>

The annexed selected notes from, 1 to 16, form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer

		31 March 2023 Un-Audited (Rupees in thousand)	30 September 2022 Audited
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	15,080,260	15,451,699
Biological assets		27,112	30,204
Long Term Investments	6	2,094,047	1,915,737
Long term advances and deposits		36,135	36,135
		<u>17,237,554</u>	<u>17,433,775</u>
CURRENT ASSETS			
Biological assets		1,929	2,881
Stores, spare parts and loose tools		101,757	52,018
Stock-in-trade	7	1,965,247	295,242
Trade debts		134,587	65,085
Loans and advances		144,222	269,946
Prepayments and other receivables		334,884	322,171
Cash and bank balances		17,092	30,639
Non-current assets held for sale	8	2,699,718	1,037,982
		90,248	90,248
		<u>2,789,966</u>	<u>1,128,230</u>
TOTAL ASSETS		<u><u>20,027,520</u></u>	<u><u>18,562,005</u></u>

The annexed selected notes from, 1 to 16, form an integral part of these unconsolidated condensed interim financial statements.



Director



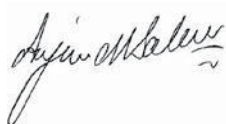
Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

For the Half Year Ended 31 March 2023 (Un-Audited)

	Note	Half Year Ended		Quarter ended	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
(Rupees in thousand)					
Revenue	9	8,957,490	9,047,744	7,447,099	7,367,694
Cost of sales	9	(8,573,113)	(8,709,416)	(6,883,434)	(6,763,222)
Gross profit		384,377	338,328	563,665	604,472
Administrative expenses		(191,654)	(201,124)	(104,128)	(113,319)
Distribution cost		(79,770)	(47,520)	(67,869)	(36,786)
Other expenses		(10,312)	(19,563)	(5,288)	(17,785)
Other income		73,162	60,680	58,911	21,113
Profit from operations		175,803	130,801	445,291	457,695
Finance cost		(174,382)	(115,152)	(84,656)	(81,693)
Share of profit from equity accounted investee		179,999	15,500	43,663	67,677
Profit before taxation		181,420	31,149	404,298	443,679
Taxation		30,271	(70,033)	(6,640)	(99,298)
Profit / (loss) after taxation		211,691	(38,884)	397,658	344,381
Earning / (loss) per share - Basic And diluted (Rupees)		1.69	(0.31)	3.18	2.76

The annexed selected notes from, 1 to 16, form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer



Director



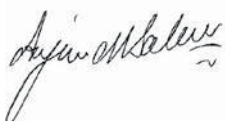
Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the Half Year Ended 31 March 2023 (Un-Audited)

	Half year ended		Quarter ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	(Rupees in thousand)			
Profit / (loss) after taxation	211,691	(38,884)	397,658	344,381
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	(1,690)	(2,454)	(670)	(1,602)
Share of other comprehensive income of equity accounted investee	-	(2,400)	-	(2,400)
Items that may be reclassified to profit or loss in subsequent periods	-	-	-	-
Other comprehensive loss for the period	(1,690)	(4,854)	(670)	(4,002)
Total comprehensive income / (loss) for the period	210,001	(43,738)	396,988	340,379

The annexed selected notes from, 1 to 16, 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 Half Year Ended 31 March 2023 (Un-Audited)

Rupees in thousand

	RESERVES										ACCUMULATED LOSSES	TOTAL EQUITY
	SHARE CAPITAL	CAPITAL RESERVES					REVENUE RESERVES			TOTAL RESERVES		
		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			
Balance as at 30 September 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	-	-	-	-	-	(316,886)	(316,886)	-	-	(316,886)	316,886	-
Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment	-	-	-	-	-	(104,100)	(104,100)	-	-	(104,100)	104,100	-
Incremental depreciation of property, plant and equipment of equity accounted investee - net of deferred income tax	-	-	(11,226)	-	-	-	(11,226)	-	-	(11,226)	11,226	-
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	-	-	(4,775)	-	-	-	(4,775)	-	-	(4,775)	4,775	-
Loss for the period	-	-	-	-	-	-	-	-	-	-	(38,884)	(38,884)
Other comprehensive loss for the period	-	-	-	(2,454)	-	-	(2,454)	-	-	(2,454)	(2,400)	(4,854)
Total comprehensive loss for the period	-	-	-	(2,454)	-	-	(2,454)	-	-	(2,454)	(41,284)	(43,738)
Balance as at 31 March 2022 - (Un-audited)	1,250,000	1,056,373	432,809	(13,475)	155,930	11,045,349	12,676,986	516,306	516,306	13,193,292	(3,266,116)	11,177,176
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	(290,282)	(290,282)	-	-	(290,282)	290,282	-
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	-	-	-	-	-	(12,064)	(12,064)	-	-	(12,064)	12,064	-
Incremental depreciation of property, plant and equipment of equity accounted investee - net of deferred income tax	-	-	(11,067)	-	-	-	(11,067)	-	-	(11,067)	11,067	-
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	-	-	(3,028)	-	-	-	(3,028)	-	-	(3,028)	3,028	-
Early settlement of convertible loan of equity accounted investee	-	-	-	-	-	-	-	-	-	-	(11,632)	(11,632)
Loss for the period	-	-	-	-	-	-	-	-	-	-	(186,418)	(186,418)
Other comprehensive income / (loss) for the period	-	-	133,697	640	-	-	134,337	-	-	134,337	(118,694)	15,643
Total comprehensive loss for the period	-	-	133,697	640	-	-	134,337	-	-	134,337	(305,112)	(170,775)
Balance as at 30 September 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	-	-	-	-	-	(288,100)	(288,100)	-	-	(288,100)	288,100	-
Incremental depreciation of property, plant and equipment of equity accounted investee - net of deferred income tax	-	-	(14,783)	-	-	-	(14,783)	-	-	(14,783)	14,783	-
Profit for the period	-	-	-	-	-	-	-	-	-	-	211,691	211,691
Other comprehensive loss for the period	-	-	-	(1,690)	-	-	(1,690)	-	-	(1,690)	-	(1,690)
Total comprehensive income / (loss) for the period	-	-	-	(1,690)	-	-	(1,690)	-	-	(1,690)	211,691	210,001
Balance as at 31 March 2023 - (Un-audited)	1,250,000	1,056,373	537,628	(14,525)	155,930	9,968,530	11,703,936	516,306	516,306	12,220,242	(2,751,845)	10,718,397

The annexed selected notes from, 1 to 16, form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer



Director



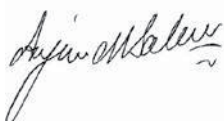
Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the Half Year Ended 31 March 2023 (Un-Audited)

	Note	31 March 2023 Rupees in thousand	31 March 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	10	297,807	31,883
Finance cost paid		(116,123)	(23,345)
Net increase in long term advances and deposits		-	-
Income tax paid		(26,266)	(33,152)
Net cash generated from / (used in) operating activities		155,418	(24,614)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(90,947)	(46,148)
Proceeds from sale of non-current assets held for sale		-	174,599
Proceeds from sale of property, plant and equipment		895	17,900
Net cash (used in) / generated from investing activities		(90,052)	146,351
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		(262,500)	-
Repayment of long term financing		(41,413)	(105,326)
Long terms loan required		225,000	-
Dividend paid		-	(28)
Net cash used in financing activities		(78,913)	(105,354)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(13,547)	16,383
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD		30,639	1,905
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD		17,092	18,288

The annexed selected notes from, 1 to 16, 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 Half Year Ended 31 March 2023 (Un-Audited)

1. The Company and its Operations

1.1. Shakarganj Limited (the Company) is a public limited company incorporated on 20th 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 earned profit after taxation of Rs. 211.691 million and its accumulated losses are of Rs. 2,751.845 million as at 31 March 2023. The current liabilities of the Company exceeded its current assets by Rs. 2,968.638 million. Moreover, the Company has some overdue statutory obligations. Furthermore Textile segment of the Company remained closed during the whole period. 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 unconsolidated condensed interim financial statements have been prepared on going concern basis due to following reasons:

- The Company is in initial stage of deliberation with various parties to dispose of the Bhone Unit of the Company which include Sugar and Biofuel divisions. As per the management the whole Bhone Unit having book value of Rs. 7.931 billion will be disposed of against consideration of Rs. 11 billion.

- 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 is in negotiation with its banks to avail further long term financing and short term borrowings so that it can enhance its capital expenditure for new plant and machinery and for improving working capital lines to avail better quality raw material in time.

- The Company is in the process of installing the falling film evaporator at principal unit, as well as at satellite unit too. 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 Company remains committed to its best efforts to improve liquidity portion. The financial projections of the Company show improvements in cash generation and profits.

The management and the Board 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 September 30, 2022. 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 2022.

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 applied in the audited annual financial statements of the Company for the year ended September 30, 2022.

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 September 30, 2022.

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 March 2023 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	225,000	-
Amortized during the period / year	-	6,833
	225,000	6,833
Less: Repaid during the period / year	41,413	375,525
	225,000	41,413
Less: Current portion shown under current liabilities	(13,235)	(41,413)
	<u>211,765</u>	<u>-</u>

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 commitment as at 31 March 2023 (30 September 2022: Nil).

	Note	31 March 2023 Un-Audited (Rupees in thousand)	30 September 2022 Audited
5. Property, plant and equipment			
Operating fixed assets	5.1	14,699,135	15,085,370
Capital work-in-progress	5.2	381,125	366,329
		<u>15,080,260</u>	<u>15,451,699</u>

		31 March 2023 Un-Audited (Rupees in thousand)	30 September 2022 Audited
	NOTE		
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	76,151	7,279
Add: Transfer from non-current assets held for sale		-	95,725
		15,161,521	16,139,922
Less: Book value of deletion during the period / year	5.1.2	895	50,183
		15,160,626	16,089,739
Less: Depreciation charged during the period / year		461,491	1,004,369
Closing book value		14,699,135	15,085,370
5.1.1 Cost of additions during the period / year			
Building		-	3,982
Plant and machinery		69,305	1,700
Tools and equipment		27	251
Water electric and weighbridge equipment		860	-
Vehicles		5,800	-
Office equipment		-	50
Furniture and fixture		159	1,296
		76,151	7,279
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		24	817
Office equipment		-	78
Vehicles		870	1,360
Laboratory equipment		-	3
Library Books		1	-
Arm & Ammunition		-	14
		895	50,183
5.2 Capital work-in-progress			
Civil works		7,497	5,497
Plant and machinery		269,732	223,072
		277,229	228,569
Advances against capital work in progress		140,834	174,698
Less: Provision against doubtful advances		(36,938)	(36,938)
		103,896	137,760
		381,125	366,329

	Note	31 March 2023 Un-Audited (Rupees in thousand)	30 September 2022 Audited
6 Long Term Investment			
Investment in equity accounted investee	6.11	2,088,959	1,908,960
Investment at fair value through other comprehensive income		5,088	6,777
		<u>2,094,047</u>	<u>1,915,737</u>
6.1 Investment in equity accounted investee			
Shakarganj Food Products Limited - Unquoted			
87 785 643 (30 September 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		179,999	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>1,498,175</u>	<u>1,318,176</u>
Closing balance		<u>2,088,959</u>	<u>1,908,960</u>
		31 March 2023 Un-Audited (Rupees in thousand)	30 September 2022 Audited
7. Stock-in-Trade			
Raw materials		1,151,519	5,629
Work-in-process		12,689	11,399
Finished goods		801,039	278,214
		<u>1,965,247</u>	<u>295,242</u>
		31 March 2023 Un-Audited (Rupees in thousand)	30 September 2022 Audited
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:			
Property, plant and equipment		<u>90,248</u>	<u>90,248</u>

Specific items of freehold land, plant and machinery of sugar segment of the Company were presented as held for sale following the approval of Board of Directors (BOD) of the Company in the meeting held on January 04, 2021. Significant portion of these assets has been disposed, while an item of plant and machinery has been transferred back to property, plant and equipment as decided by the BOD of the

Company in their meeting held on July 28, 2022, because the specific item of plant and machinery can be used by the Company in its operations by overhauling / updation. However for the remaining item of non-current assets held for sale of Rs. 90,248 million, the management is hopeful of completing the sale transaction during the current financial period.

8.1. Reconciliation of Non-Currents Assets Held For Sale

	Note	31 March 2023 Un-Audited (Rupees in thousand)	30 September 2022 Audited
Opening book value	5.1	90,248	335,180
Book value of assets transferred to property, plant and equipment		-	(95,725)
Book value of assets disposed of during the period		-	(149,207)
		<u>90,248</u>	<u>90,248</u>

9 Segment Information

Rupees in thousand
(Un-audited)

	Sugar		Biofuel		Textile		Farms		Elimination of Inter-segment transactions		Total	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
9.1 Revenue												
External	7,690,680	8,512,167	1,265,587	460,629	-	34,242	1,223	40,706	-	-	8,957,490	9,047,744
Intersegment	1,388,417	927,671	31,793	22,574	-	-	1,509	7,066	(1,421,719)	(957,311)	-	-
Cost of sales	(8,843,461)	(9,075,247)	(1,115,712)	(475,902)	(32,792)	(62,435)	(2,867)	(53,143)	1,421,719	957,311	(8,573,113)	(8,709,416)
Gross profit / (loss)	235,636	364,591	181,668	7,301	(32,792)	(28,193)	(135)	(5,371)	-	-	384,377	338,328
Administrative expenses	(147,155)	(172,125)	(21,028)	(8,790)	(23,414)	(19,756)	(57)	(453)	-	-	(191,654)	(201,124)
Distribution cost	(12,463)	(13,135)	(66,723)	(33,781)	(584)	(604)	-	-	-	-	(79,770)	(47,520)
	(159,618)	(185,260)	(87,751)	(42,571)	(23,998)	(20,360)	(57)	(453)	-	-	(271,424)	(248,644)
Profit / (loss) before taxation and unallocated income and expenses	76,018	179,331	93,917	(35,270)	(56,790)	(48,553)	(192)	(5,824)	-	-	112,953	89,684
Unallocated income and expenses:												
Other expenses											(10,312)	(19,563)
Finance cost											(174,382)	(115,152)
Other income											73,162	60,680
Share of profit for equity accounted investee											179,999	15,500
Taxation											30,271	(70,033)
Profit / (loss) after taxation											211,691	(38,884)

9.2 Reconciliation of reportable segment assets and liabilities:

Rupees in thousand

	Sugar		Biofuel		Textile		Farms		Total	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	31 March 2023	30 September 2022	31 March 2023	30 September 2022	31 March 2023	30 September 2022	31 March 2023	30 September 2022	31 March 2023	30 September 2022
Total assets for reportable segments	9,741,961	9,795,069	6,366,876	5,130,872	566,413	590,394	651,716	649,536	17,326,966	16,165,871
Unallocated assets									2,700,554	2,396,134
Total assets as per unconsolidated condensed interim statement of financial position									20,027,520	18,562,005
Total liabilities for reportable segments	6,262,608	5,012,760	1,825,540	1,481,308	132,174	211,319	18,330	20,430	8,238,652	6,725,817
Unallocated liabilities									1,070,471	1,327,792
Total liabilities as per unconsolidated condensed interim statement of financial position									9,309,123	8,053,609

9.3 Geographical Information

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

Rupees in thousand
(Un-audited)

	Sugar		Biofuel		Textile		Farms		Total	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Europe	-	-	1,012,882	392,199	-	-	-	-	1,012,882	392,199
Asia	475,886	-	147,371	-	-	-	-	-	623,257	-
Pakistan	7,214,794	8,512,167	105,334	68,430	-	34,242	1,223	40,706	7,321,351	8,655,545
	7,690,680	8,512,167	1,265,587	460,629	-	34,242	1,223	40,706	8,957,490	9,047,744

9.4 The Company's revenue from external customers in respect of products is detailed below:

Rupees in thousand
(Un-audited)

	Sugar		Biofuel		Textile		Farms		Total	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Sugar	7,570,596	7,817,611	-	-	-	-	-	-	7,570,596	7,817,611
By-products	120,084	694,556	-	2,650	-	-	-	-	120,084	697,206
Biofuel	-	-	1,265,587	457,979	-	-	-	-	1,265,587	457,979
Yarn and polyester	-	-	-	-	-	34,000	-	-	-	34,000
Farm	-	-	-	-	-	-	1,223	40,706	1,223	40,706
Waste	-	-	-	-	-	242	-	-	-	242
	7,690,680	8,512,167	1,265,587	460,629	-	34,242	1,223	40,706	8,957,490	9,047,744

		Un-Audited	
		31 March 2023	31 March 2022
		(Rupees in thousand)	
10. CASH GENERATED FROM / (USED IN) OPERATIONS	Note		
Profit before taxation		181,420	31,149
Adjustments for non-cash charges and other items:			
Depreciation		461,491	496,121
Gain on sale of non-current assets held for sale		-	(25,392)
Fair value adjustment of agricultural assets		1,675	13,011
Share of loss / (profit) from equity accounted investee		(179,999)	(15,500)
Unrealized loss on agriculture income		3,092	-
Amortization of deferred grant		-	4,741
Provision for employees retirement benefits		20,460	27,741
Finance cost		174,382	115,152
Working capital changes	10.1	(364,714)	(615,140)
		297,807	31,883
10.1 Working capital changes			
(Increase) / decrease in current assets:			
Stores, spare parts and loose tools		(49,739)	(25,418)
Stock-in-trade		(1,670,005)	(1,744,642)
Trade debts		(69,502)	(690,557)
Loans and advances		125,724	(85,606)
Prepayments and other receivables		(12,714)	(15,664)
Biological assets - net		(723)	(470)
		(1,676,959)	(2,562,357)
Increase in trade and other payables		1,312,245	1,947,217
		(364,714)	(615,140)

11. TRANSACTIONS WITH RELATED PARTIES

Detail of transactions and balances with related parties is as follows:

	Un-audited			
	Half year ended		Quarter ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
(Rupees in thousand)				
i) Transactions				
Subsidiary company				
Sale of goods	48,551	34,786	40,611	28,937
Common expenses shared	1,325	1,107	677	750
Associated companies				
Purchase of goods	-	513,997	-	432,205
Common expenses shared	2,684	3,531	1,696	2,552
Insurance expenses	3,033	3,138	1,040	1,657
Sale of goods and rendering of services	1,526	533,801	484	452,892
Finance cost	34,261	20,733	17,961	11,818
Other related parties				
Company's contribution to Employees' Provident Fund Trust	6,127	7,200	2,987	3,832
Service charges accrued	-	3,364	-	1,682
Remuneration and meeting fee paid to Chief Executive Officer, directors and executives	78,876	84,802	48,888	53,051
ii) Period end balances				
Subsidiary company				
Trade debts			61,784	25,903
Trade and other payables			10,883	9,630
Associated companies				
Trade and other payables			1,762	12,225
Cash and bank balances			162	10,958
Short term borrowings			200,000	425,000
Long term borrowings			225,000	-
Accrued mark-up			10,002	4,676
Other related parties				
Trade and other payables			479,266	393,911
Loans and advances			29,719	16,811

	31 March 2023 Un-Audited (Rupees in thousand)	30 September 2022 Audited
12. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX		
Description		
Shariah compliant bank deposits and bank balances		
Bank balances	11,389	13,330
Loans / advances obtained as per Islamic mode		
Contract liabilities	227,385	361,048
Short term borrowings	200,000	425,000
Long term borrowings	225,000	-
	Un-audited	
	31 March 2023 (Rupees in thousand)	31 March 2022
Revenue earned from shariah compliant business	8,957,490	9,047,744
Unrealized loss on remeasurement of investments at FVTOCI	(1,690)	(2,454)
Exchange gain / (loss)	18,306	2,267
Mark-up paid on Islamic mode of financing	34,261	20,733
Profit earned or interest paid on any conventional loan / advance		
Mark-up on long term financing	1,568	20,139
Mark-up on short term borrowings	49,327	30,884
Profit earned on deposit with banks	21	115

Relationship with shariah compliant banks

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

12.1. There was no profit on deposits with shariah compliant banks and no gain or dividend earned on shariah compliant investments.

13. Recognized Fair Value Measurements - Financial Instruments

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 the following table:

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

(Rupees in thousand)

Financial assets - recurring fair value measurement

At 31 March 2023 - (Un-audited)

At fair value through other comprehensive income	5,088	-	-	5,088
--------------------------------------------------	-------	---	---	-------

At 30 September 2022 - Audited

At fair value through other comprehensive income	6,777	-	-	6,777
--------------------------------------------------	-------	---	---	-------

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 30 May 2023 by the Board of Directors of the Company.

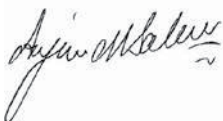
15. Corresponding Figures

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 Half Year ended 31 March 2023
(Shakarganj Limited and Its Subsidiary Company)

DIRECTORS' REPORT CONSOLIDATED

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 March 2023. 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 March 2023 has been presented separately in directors' report.

Group Financial Performance:

The financial results of the Group are summarised below:

	31 March 2023	31 March 2022
	Rupees in thousand	
Revenue	18,016,475	17,588,763
Gross profit	2,032,454	1,559,847
Profit from operations	930,286	386,388
Profit before taxation	559,884	105,576
Taxation	(185,079)	(126,008)
Profit / (loss) for the period	374,805	(20,432)
Share Of Profit / (loss) Attributable To:		
Equity Holders of Holding Company	211,229	(34,518)
Non-Controlling Interest	163,576	14086
Profit / (loss) per share - basic and diluted (Rupees)	1.69	(0.28)

On a consolidated basis, gross profit was Rs. 2,032.454 million as compared to Rs. 1,559.847 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. 28,560.79 million as at 31 March 2023, compared to Rs. 27,149.95 million as at 30 September 2022. Total equity increased to Rs. 12,519.92 million on the period end 31 March 2023 from Rs. 12,146.81 million as at 30 September 2022.

Subsequent Events and Commitments

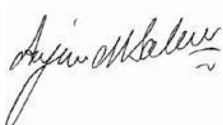
No material changes and commitments affecting the financial position of the Shakarganj Group have occurred between the end of the financial period to which this balance sheet relates and the date of the consolidated directors' report.

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

30 May 2023



Anjum Muhammad Saleem
Chief Executive Officer



Ali Altaf Saleem
Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 March 2023 (Un-audited)

	Note	31 March 2023 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			
125,000,000 (30 September 2022: 125,000,000) ordinary shares of Rs. 10 each		1,250,000	1,250,000
Reserves			
Capital Reserves			
Surplus on revaluation of property, plant and equipment - net of deferred income tax		10,546,698	10,849,580
Other capital reserve		1,239,220	1,240,909
		<u>11,785,918</u>	<u>12,090,489</u>
Revenue Reserves			
General reserves		516,306	516,306
		<u>12,302,224</u>	<u>12,606,795</u>
Accumulated losses			
Equity attributable to equity holders of the Holding Company		(2,865,908)	(3,380,018)
Non-controlling interest		10,686,316	10,476,777
		<u>1,833,605</u>	<u>1,670,029</u>
TOTAL EQUITY		<u>12,519,921</u>	<u>12,146,806</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	3	621,354	457,896
Lease liabilities		250,090	328,007
Deferred liabilities		845,898	833,210
Deferred income tax liability		2,757,041	2,840,932
		<u>4,474,383</u>	<u>4,460,045</u>
CURRENT LIABILITIES			
Trade and other payables		9716,110	8,391,203
Short term borrowings		1,050,600	1,384,899
Accrued Mark-up		114,642	128,048
Current portion of non-current liabilities		445,353	499,224
Unclaimed dividend		1,916	1,916
Provision for taxation		237,862	137,809
		<u>11,566,483</u>	<u>10,543,099</u>
TOTAL LIABILITIES		<u>16,040,866</u>	<u>15,003,144</u>
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES	4	<u>28,560,787</u>	<u>27,149,950</u>

The annexed selected notes from, 1 to 12, form an integral part of these consolidated condensed interim financial statements.



Chief Executive Officer

	Note	31 March 2023 Un-Audited (Rupees in thousand)	30 September 2022 Audited
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	21,014,201	21,455,737
Right-of-use assets		756,652	1,292,499
Intangible assets		1,719	2,291
Biological assets		27,112	30,204
Investments		5,088	6,777
Long term loans and advances		16,406	14,231
Long term deposits		123,201	122,282
		<u>21,944,379</u>	<u>22,924,021</u>
CURRENT ASSETS			
Biological assets		1,929	2,881
Stores, spare parts and loose tools		362,614	271,805
Stock-in-trade	6	2,917,189	1,323,446
Trade debts		201,585	196,935
Loans and advances		213,527	309,452
Prepayments and other receivables		1,729,200	1,329,363
Short term investment		-	55,000
Advance income tax		517,844	456,872
Cash and bank balances		72,210	77,600
		<u>6,016,098</u>	<u>4,023,354</u>
Non-current assets held for sale		600,310	202,575
		<u>6,616,408</u>	<u>4,225,929</u>
TOTAL ASSETS		<u><u>28,560,787</u></u>	<u><u>27,149,950</u></u>

The annexed selected notes from, 1 to 12, form an integral part of these consolidated condensed interim financial statements.



Director



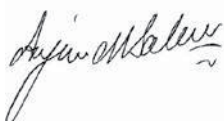
Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

For the Half Year Ended 31 March 2023 (Un-Audited)

	Note	Half Year Ended		Quarter Ended	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
(Rupees in thousand)					
Revenue	7	18,016,475	17,588,763	11,034,832	11,562,572
Cost of sales	7	(15,984,021)	(16,028,916)	(9,896,023)	(10,194,462)
Gross profit		2,032,454	1,559,847	1,138,809	1,368,110
Administrative expenses		(265,018)	(280,209)	(138,589)	(150,288)
Distribution cost		(911,088)	(947,005)	(382,689)	(558,003)
Other expenses		(49,799)	(31,990)	(5,050)	(22,561)
Other income		123,737	85,745	95,937	38,388
Profit from operations		930,286	386,388	708,418	675,646
Finance cost		(370,402)	(280,812)	(185,720)	(166,859)
Profit before taxation		559,884	105,576	522,698	508,787
Taxation		(185,079)	(126,008)	(85,823)	(98,537)
Profit / (loss) after taxation		374,805	(20,432)	436,875	410,250
Share Of profit / (loss) attributable to:					
Equity holders of holding company		211,229	(34,518)	397,196	348,747
Non-controlling interest		163,576	14,086	39,679	61,503
		374,805	(20,432)	436,875	410,250
Loss per share - Basic And diluted (Rupees)		1.69	(0.28)	3.18	2.79

The annexed selected notes from, 1 to 12, form an integral part of these consolidated condensed interim financial statements.



Chief Executive Officer



Director



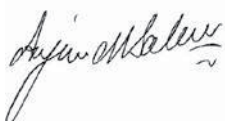
Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the Half Year Ended 31 March 2023 (Un-Audited)

	Half Year Ended		Quarter Ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	(Rupees in thousand)			
Profit / (loss) after taxation	374,805	(20,432)	436,875	410,250
Other comprehensive income / (loss)				
Items that will not be reclassified to profit or loss in subsequent periods:				
(Deficit) surplus arising on remeasurement of investment at fair value through other comprehensive income	(1,690)	(2,454)	(670)	(1,602)
Share of other comprehensive loss	-	(4,581)	-	(4,581)
Items that may be reclassified to profit or loss in subsequent periods	-	-	-	-
Other comprehensive (loss) / income for the period	(1,690)	(7,035)	(670)	(6,183)
Total comprehensive income / (loss) for the period	373,115	(27,467)	436,205	404,067
Share Of other comprehensive income / (loss) attributable to:				
Equity holders of holding company	209,539	(39,372)	396,526	344,745
Non-controlling interest	163,576	11,905	39,679	59,322
	373,115	(27,467)	436,205	404,067

The annexed selected notes from, 1 to 12, 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 Half Year Ended 31 March 2023 (Un-Audited)

Rupees in thousand

	RESERVES										ACCUMULATED LOSS	SHAREHOLDERS' EQUITY	NON-CONTROLLING INTEREST	TOTAL EQUITY
	SHARE CAPITAL	CAPITAL RESERVES						REVENUE RESERVES		TOTAL RESERVES				
		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					
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	-	-	-	-	(321,661)	-	(321,661)	-	-	(321,661)	321,661	-	-	-
Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment - net of deferred income tax	-	-	-	-	(115,326)	-	(115,326)	-	-	(115,326)	115,326	-	-	-
Loss for the period	-	-	-	-	-	-	-	-	-	-	(34,518)	(34,518)	14,086	(20,432)
Other comprehensive income for the period	-	-	(2,454)	-	-	-	(2,454)	-	-	(2,454)	(2,400)	(4,854)	(2,181)	(7,035)
Total comprehensive income / (loss) for the period	-	-	(2,454)	-	-	-	(2,454)	-	-	(2,454)	(36,918)	(39,372)	11,905	(27,467)
Balance as at 31 March 2022	1,250,000	1,056,373	(13,475)	155,930	11,518,697	72,523	12,790,048	516,306	516,306	13,306,354	(3,419,858)	11,136,496	1,517,007	12,653,503
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	(307,800)	-	(307,800)	-	-	(307,800)	307,800	-	-	-
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	-	-	-	-	(8,641)	-	(8,641)	-	-	(8,641)	8,641	-	-	-
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	-	-	-	-	-	-	-	-	-	-	(177,355)	(177,355)	44,252	(133,103)
Other comprehensive income for the period	-	-	640	-	133,697	-	134,337	-	-	134,337	(118,695)	15,642	119,342	134,984
Total comprehensive loss for the period	-	-	640	-	133,697	-	134,337	-	-	134,337	(296,050)	(161,713)	163,594	1,881
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	-	-	-	-	(302,881)	-	(302,881)	-	-	(302,881)	302,881	-	-	-
Adjustment of deferred income tax liability due to re-assessment at period end	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	-	-	-	211,229	211,229	163,576	374,805
Other comprehensive loss for the period	-	-	(1,690)	-	-	-	(1,690)	-	-	(1,690)	-	(1,690)	-	(1,690)
Total comprehensive income / (loss) for the period	-	-	(1,690)	-	-	-	(1,690)	-	-	(1,690)	211,229	209,539	163,576	373,115
Balance as at 31 March 2023	1,250,000	1,056,373	(14,525)	155,930	10,546,699	41,441	11,785,918	516,306	516,306	12,302,224	(2,865,908)	10,686,316	1,833,605	12,519,921

The annexed selected notes from, 1 to 12, form an integral part of these consolidated condensed interim financial statements.



Chief Executive Officer



Director



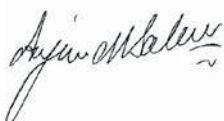
Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the Half Year Ended 31 March 2023 (Un-Audited)

	Note	31 March 2023 Rupees in thousand	31 March 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	8	813,914	297,814
Finance cost paid		(273,266)	(207,675)
Net decrease / (increase) in long term loans and advances		(2,175)	92
Net increase in long term security deposits		(919)	(26)
Employees' benefits paid		(29,979)	(2,338)
Income tax paid		(229,889)	(176,964)
Net cash generated from / (used in) operating activities		277,686	(89,097)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(108,528)	(62,316)
Proceeds from disposal of asset held for sale		70,507	174,599
Proceeds from disposal of property, plant and equipment		14,267	110,794
Proceeds from sale of short term investment		55,000	-
Net cash used in investing activities		31,246	223,077
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		(334,299)	(2,894)
Repayment of long term financing		(101,413)	(190,326)
Proceeds from long term financing		225,000	-
Lease liabilities - net		(103,610)	(84,124)
Dividend paid		-	(28)
Net cash used in financing activities		(314,322)	(277,372)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(5,390)	(143,392)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD		77,600	284,226
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD		72,210	140,834

The annexed selected notes from, 1 to 12, 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 Half Year Ended 31 March 2023 (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:

Shakarganj Limited

Shakarganj Limited (the Holding company 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 earned profit after taxation of Rs. 211.691 million and its accumulated losses are of Rs. 2,751.845 million as at 31 March 2023. The current liabilities of the Holding Company exceeded its current assets by Rs. 2,968.638 million. Moreover, the Holding Company has some overdue statutory obligations. Furthermore Textile segment of the Holding Company remained closed during the whole period. 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 consolidated condensed interim financial statements have been prepared on going concern basis due to following reasons:

The Holding Company is in initial stage of deliberation with various parties to dispose of the Bhone Unit of the Holding Company which include Sugar and Biofuel divisions. As per the management the whole Bhone Unit having book value of Rs. 7.931 billion will be disposed of against consideration of Rs. 11 billion.

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

The Holding Company is in negotiation with its banks to avail further long term financing and short term borrowings so that it can enhance its capital expenditure for new plant and machinery and for improving working capital lines to avail better quality raw material in time.

The Holding Company is in the process of installing the falling film evaporator at principal unit, as well as at satellite unit too. 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 and the Board 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, these financial statements 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 March 2023 (30 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

The Holding 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 in first half of the Holding Company's financial year thus increasing volume of inventories at the end of the first half.

3. Long Term Financing

	31 March 2023 Un-Audited (Rupees in thousand)	30 September 2022 Audited
Opening balance	669,309	1,276,702
Add:		
Obtained during the period / year	225,000	35,929
Unwinding of discount / Fair value adjustment	11,693	(97,797)
Less:		
Repaid during the period / year	(101,413)	(545,525)
	804,589	669,309
Less: Current portion shown under current liabilities	(183,235)	(211,413)
	621,354	457,896

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 Nil as at 31 March 2023 (30 September 2022: Nil).
- ii). Ijarah (operating lease) commitments are of Rs. 7.306 million as at 31 March 2023 (30 September 2022: Rs. 12.01 million).

5. Property, plant and equipment

	Note	31 March 2023 Un-Audited (Rupees in thousand)	30 September 2022 Audited
Operating fixed assets	5.1	20,633,073	21,074,204
Capital work-in-progress		381,128	381,533
		21,014,201	21,455,737

		31 March 2023 Un-Audited (Rupees in thousand)	30 September 2022 Audited
5.1 Operating fixed assets			
Opening book value		21,076,087	22,239,821
Add: Cost of addition during the period / year	5.1.1	100,534	46,692
Revaluation surplus		-	290,744
Transferred from non-current assets held for sale		-	95,725
Reclassification adjustment		509,713	-
		<u>21,686,334</u>	<u>22,672,982</u>
Less: Book value of deletion during the period / year		1,926	166,666
Less: Transferred to non-current assets held for sale		436,984	112,327
		<u>438,910</u>	<u>278,993</u>
		21,247,424	22,393,989
Less: Depreciation charged during the period / year		614,351	1,319,785
Closing book value		<u>20,633,073</u>	<u>21,074,204</u>
5.1.1 Cost of additions during the period / year			
Building		1,697	3,982
Plant and machinery		87,085	32,001
Tools and equipment		27	251
Water, electric and weighbridge equipment		860	24
Office equipment		643	2,793
Furniture and fixture		282	3,320
Vehicle		9,940	4,321
		<u>100,534</u>	<u>46,692</u>
		31 March 2023 Un-Audited (Rupees in thousand)	30 September 2022 Audited
6. Stock-in-Trade			
Raw materials		1,573,811	363,028
Packing material		296,932	409,041
Work-in-process		40,189	11,399
Finished goods		1,006,257	539,978
		<u>2,917,189</u>	<u>1,323,446</u>

7. SEGMENT INFORMATION

Rupees in thousand
(Un-audited)

7.1

	Sugar		Biofuel		Textile		Farms		Dairy		Juice		Elimination of Inter-segment transactions		Total	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Revenue																
External	7,642,129	8,477,381	1,265,587	460,629	-	34,242	1,223	40,706	9,014,457	8,466,937	93,079	108,868	-	-	18,016,475	17,588,763
Intersegment	1,436,968	962,457	31,793	22,574	-	-	1,509	7,066	-	-	-	-	(1,470,270)	(992,097)	-	-
	9,079,097	9,439,838	1,297,380	483,203	-	34,242	2,732	47,772	9,014,457	8,466,937	93,079	108,868	(1,470,270)	(992,097)	18,016,475	17,588,763
Cost of sales	(8,843,461)	(9,075,247)	(1,115,712)	(475,902)	(32,792)	(62,435)	(2,867)	(53,143)	(7,366,523)	(7,231,374)	(92,936)	(122,912)	1,470,270	992,097	(15,984,021)	(16,028,916)
Gross Profit / (loss)	235,636	364,591	181,668	7,301	(32,792)	(28,193)	(135)	(5,371)	1,647,934	1,235,563	143	(14,044)	-	-	2,032,454	1,559,847
Administrative expenses	(147,155)	(172,125)	(21,028)	(8,790)	(23,414)	(19,756)	(57)	(453)	(73,363)	(79,085)	-	-	-	-	(265,018)	(280,209)
Distribution cost	(12,463)	(13,135)	(66,723)	(33,781)	(584)	(604)	-	-	(824,599)	(891,724)	(6,719)	(7,760)	-	-	(911,088)	(947,005)
	(159,618)	(185,260)	(87,751)	(42,571)	(23,998)	(20,360)	(57)	(453)	(897,962)	(970,809)	(6,719)	(7,760)	-	-	(1,176,106)	(1,227,214)
Profit / (loss) before taxation and unallocated income and expenses	76,018	179,331	93,917	(35,270)	(56,790)	(48,553)	(192)	(5,824)	749,972	264,754	(6,576)	(21,804)	-	-	856,348	332,633
Unallocated income and expenses:																
Other expenses															(49,799)	(31,990)
Finance cost															(370,402)	(280,812)
Other income															123,737	85,745
Taxation															(185,079)	(126,008)
Profit / (loss) after taxation															374,805	(20,432)

7.2 Reconciliation of reportable segment assets and liabilities:

	Sugar		Biofuel		Textile		Farms		Dairy		Juice		Total	
	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited
	31 March 2023	30 September 2022	31 March 2023	30 September 2022	31 March 2023	30 September 2022	31 March 2023	30 September 2022	31 March 2023	30 September 2022	31 March 2023	30 September 2022	31 March 2023	30 September 2022
Total assets for reportable segments	9,680,177	9,769,166	6,366,876	5,130,872	566,413	590,394	651,716	649,536	10,163,576	10,089,642	487,765	605,522	27,916,523	26,835,132
Unallocated assets													644,264	314,818
Total assets as per consolidated condensed interim statement of financial position													28,560,787	27,149,950
Total liabilities for reportable segments	6,251,725	5,003,130	1,825,540	1,481,308	132,174	211,319	18,330	20,430	6,233,053	6,888,297	260,436	282,866	14,721,258	13,887,350
Unallocated liabilities													1,319,608	1,115,794
Total liabilities as per consolidated condensed interim statement of financial position													16,040,866	15,003,144

	NOTE	Un-Audited	
		31 March 2023 (Rupees in thousand)	31 March 2022
8. CASH GENERATED FROM OPERATIONS			
Profit before taxation		559,884	105,576
Adjustments for non-cash charges and other items:			
Depreciation on fixed assets		614,351	655,407
Depreciation on leased assets		32,650	36,040
Amortization of intangible asset		572	572
Gain on sale non-current assets held for sale		(31,254)	(25,392)
Gain on sale of property, plant and equipment		(12,341)	(14,365)
Finance cost		358,526	273,681
Exchange loss		-	(105)
Provision for employees' retirement benefits		43,176	60,650
Amortization of deferred income		(509)	(518)
Fair value adjustment of agricultural assets		1,675	13,011
Amortization of deferred grant		-	4,741
Provision for workers' profit participation fund		11,876	12,074
Working capital changes	8.1	(764,692)	(823,558)
		<u>813,914</u>	<u>297,814</u>
8.1 Working capital changes			
(Increase) / decrease in current assets:			
Stock-in-trade		(1,593,743)	(1,127,577)
Trade debts		(4,650)	(692,738)
Stores, spare parts and loose tools		(90,809)	(42,482)
Loans and advances		95,925	(82,018)
Prepayments and other receivables		(399,837)	283,090
Biological assets - net		2,369	(470)
		(1,990,745)	(1,662,195)
Increase in trade and other payables		1,226,053	838,637
		<u>(764,692)</u>	<u>(823,558)</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			
	Half Year Ended		Quarter Ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
(Rupees in thousand)				
i) Transactions				
Associated companies				
Purchase of goods	-	513,997	-	432,205
Common expenses shared	2,684	3,531	1,070	2,552
Insurance expenses	3,033	3,138	1,040	1,657
Sale of goods and rendering of services	1,526	533,801	484	452,892
Finance cost	73,230	30,377	43,576	17,028
Ijarah rentals	-	175	-	88
Staff Residence rent utilities payment	1,690	1,949	845	1,051
Other related parties				
Holding Company's contribution to employees retirement benefits	6,127	7,200	2,987	3,832
Service charges accrued	-	3,364	-	1,682
Godown and guest house rent	748	977	90	437
Share of common expenses	1,301	1,182	662	591
Remuneration paid to Chief Executive Officer, directors and executives	214,608	214,577	122,326	104,218
ii) Period end balances				
Associated companies				
Trade and other payables			36,972	40,618
Cash and bank balances			23,077	12,862
Short term borrowings			520,000	745,000
Long term borrowings			225,000	
Accrued Markup			58,692	7,376
Other related parties				
Trade and other payables			479,266	393,911
Loans and advances			29,719	16,811

10. Date of Authorization of Issue

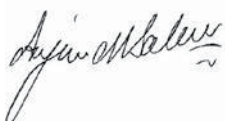
These consolidated condensed interim financial statements were approved and authorized for issue on 30 May 2023 by the Board of Directors of the Holding Company.

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 رپورٹ مجتمع

شکر گنج لمیٹڈ کے ڈائریکٹرز 31 مارچ 2023 کو ختم ہونے والے پیریڈ کے لئے گروپ کے غیر آڈٹ شدہ کنڈینسڈ عبوری مالیاتی معلومات 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 مارچ 2023 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 مارچ 2022	31 مارچ 2023	
17,588,763	18,016,475	آمدن
1,559,847	2,032,454	مجموعی منافع
386,388	930,286	آپریٹنگ منافع / نقصان
105,576	559,884	قبل از ٹیکس منافع / نقصان
(126,008)	(185,079)	ٹیکسیشن
(20,432)	374,805	بعد از ٹیکس نقصان
		منافع / (نقصان) کا حصہ مندرجہ ذیل ہے:
(34,518)	211,229	ہولڈنگ کمپنی کے ایکویٹی ہولڈرز
14,086	163,576	نان-کنٹرولنگ انٹرسٹ
(0.28)	(1.69)	نقصان فی شیئر-بنیادی اور معتدل (روپے)

ایک مجتمع بنیاد پر، مجموعی منافع پچھلے سال کی اسی مدت میں 1,559.85 ملین روپے کے مقابلے میں 2,032.45 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 28,560.79 ملین روپے پر رہی۔ ٹوٹل ایکویٹی 30 ستمبر 2022 کے 12,146.81 ملین روپے کے مقابلے میں 12,519.92 ملین روپے تک بڑھ 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، بینکوں 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

Ali Akram

علی الطاف سلیم

ڈائریکٹر

Ajmal Akram

انجم محمد سلیم

چیف ایگزیکٹو آفیسر

30 مئی 2023 ء

ساتھ انٹرنیٹ فروخت 32 ملین روپے رہی۔ اس مدت کا مجموعی منافع پچھلے سال کے 7.30 ملین روپے منافع کے مقابلے میں 181.67 ملین روپے مجموعی منافع رہا۔ بوٹم لائن پچھلے سال کے اسی عرصے میں ٹیکس سے پہلے 35.27 ملین روپے خسارے کے مقابلے میں ٹیکس سے پہلے 93.92 ملین روپے کا منافع ہوا۔ اس ڈویژن کی پیداوار 9.93 ملین لیٹرز (10.02 ملین لیٹرز HY22) تھی۔

ٹیکسٹائل ڈویژن

زیر جائزہ مدت کے دوران کوئی آپریشن نہ ہونے کی وجہ سے ٹیکسٹائل ڈویژن میں کوئی پیداوار نہیں ہوئی جیسا کہ پچھلے عرصے میں ہوا تھا۔

غیر مجتمع مالی پوزیشن

31 مارچ 2023 پر بلنس شیٹ 30 ستمبر 2022 کے 18,562.01 ملین روپے کے مقابلے میں 20,057.52 ملین روپے پر رہی۔ مجموعی شیئر ہولڈرز فنڈ 30 ستمبر 2022 کے 10,508.40 ملین روپے کے مقابلے میں 10,718.40 ملین روپے تک بڑھ گیا۔ بریک اپ ویلیو 85.75 روپے تھی۔

مستقبل کا نقطہ نظر:

مختصر سیزن کی وجہ سے، ہمارے بائیو فیول آپریشنز کے لئے خام مال قابل عمل قیمتوں پر دستیاب نہیں ہے۔ ہمارے ڈسٹریبیوٹرز کے آپریشنز کا مستقبل کا نقطہ نظر ہمیشہ اچھے معیار کے مولا سس کی مسلسل دستیابی پر منحصر ہے۔ توقع ہے کہ بائیو فیول ڈویژن میں آپریشنز اگر کوئی ہوں تو مولا سس کی محدود دستیابی کے ساتھ جاری رہیں گے۔ ٹیکسٹائل کے کاروبار میں مشکل کاروباری ماحول لیکویڈیٹی کی قلت اور خام مال کی زیادہ لاگت کے پیش نظر ابھی تک آپریشن شروع نہیں کیا جا سکا۔ جیسا کہ ہماری پچھلی سالانہ رپورٹ میں ذکر کیا گیا ہے، انتظامیہ لیکویڈیٹی کی کمی پر قابو پانے کے لئے اقدامات کر رہی ہے اور ہمیں امید ہے کہ کمپنی منافع بخش حالت میں واپس آجائے گی جیسا کہ اب تک آپریشنل نتائج طے کرتے ہیں۔ تمام چیلنجوں کے باوجود، ہم اس مشکل وقت سے گزرنے کے لئے پرعزم ہیں۔

کمپنی بہتر کارکردگی حاصل کرنے اور اپنی لیکویڈیٹی منظر نامے کو بہتر بنانے کے لئے اپنی بہترین کوششوں کے لئے پرعزم ہے۔ لیکویڈیٹی کی قلت پر قابو پانے کے لئے مختلف اقدامات اٹھائے جا رہے ہیں جیسا کہ نوٹ 1.2 میں دی گئی تفصیلات کے ساتھ منسلک عبوری مالی گوشواروں کو شامل کیا گیا ہے کیونکہ کارکردگی، تاثیر اور پیداواری لاگت کو کم کر کے کمپنی کی پیداوار اور منافع کو بہتر بنانے کے لئے ہر ممکن کوشش کی جا رہی ہے۔ انتظامیہ کا خیال ہے کہ بیان کردہ اقدامات کے نتیجے میں کمپنی کو مستقبل قریب میں اپنے کاروبار کے تسلسل کو برقرار رکھنے کے لئے مناسب مالی وسائل کی دستیابی ہوگی اور اس طرح اس کی گونگ کنسرن حیثیت برقرار رہے گی۔ مالی سال کی پہلی ششماہی کے دوران کمپنی کی جانب سے حاصل کردہ منافع امید ہے کہ جاری رہے گا اور اس سے مجموعی طور پر مطلوبہ اہداف کے حصول میں بھی مدد ملے گی۔

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

منجانب بورڈ

Al-Haleem

علی الطاف سلیم

ڈائریکٹر

Ajmal Akhtar

انجم محمد سلیم

چیف ایگزیکٹو آفیسر

30 مئی 2023ء

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2023ء کو ختم ہونے والی ششماہی کے لئے کمپنی کی غیر آڈٹ شدہ کنڈینسڈ عبوری مالیاتی معلومات بخوشی پیش کر رہے ہیں۔

مالی اور آپریشنل کارکردگی:

گزشتہ سیزن کے مقابلے میں 15 دن تاخیر سے کرشنگ مہم شروع ہونے کے باوجود پچھلے سال اسی عرصے میں 1,288,891 میٹرک ٹن گنے کی کرشنگ کے مقابلے میں زیر غور مدت کے دوران کمپنی 1,019,181 میٹرک ٹن گنے کو کرش کرنے میں کامیاب رہی۔

ہم نے موجودہ سیزن کے دوران شکر گنچ میں تاریخی طور پر چینی کی 10.26 فیصد اعلیٰ ریکوری حاصل کی۔ تاہم جھنگ شوگر یونٹس میں گنے کی عدم دستیابی کی وجہ سے کرشنگ مہم 02 مارچ 2023 کو ڈرامائی طور پر بند کر دی گئی، یہاں تک کہ بھون شوگر یونٹ میں کرشنگ 25 فروری 2023 کو بند کر دی گئی۔ شکر گنچ کی تاریخ میں یہ دوسرا سب سے چھوٹا کرشنگ سیزن تھا جو پچھلے سال اسی عرصے کے 132 دنوں کے مقابلے میں صرف 88 دن تک جاری رہا۔ کرشنگ سیزن 05 دسمبر 2022 کو شروع ہوا تھا اور جنوری کے وسط تک آسانی سے چل رہا تھا کہ اچانک گنے کی عدم دستیابی کی وجہ سے مختلف شوگر ملینس بند ہونے لگیں۔ انتہائی مشکل صورتحال کے باوجود آپ کی کمپنی پچھلے سال اسی عرصے میں 1,288,891 میٹرک ٹن گنے کی کرشنگ کے مقابلے میں 1,019,181 میٹرک ٹن گنے کو کرش کرنے میں کامیاب رہی۔

سیزن کا آغاز پنجاب میں گنے کی اب تک کی بلند ترین امدادی قیمت 300 روپے فی 40 کلوگرام کے ساتھ ہوا۔ یہ ایک بڑا چیلنج تھا کیونکہ چینی کی قیمت طے نہیں کی گئی تھی بلکہ حکومت نے مختلف اقدامات کر کے اس پر منفی کنٹرول کیا تھا۔ گنے کی خریداری کافی زیادہ قیمت پر کی گئی جس کے نتیجے میں ملوں کے درمیان سخت مقابلہ ہوا۔ ہمارے بائیو فیول کے کاروبار نے بھی مثبت کردار ادا کیا ہے لیکن غیر متوقع مختصر سیزن کی وجہ سے ہماری مولاس کی خریداری کی مہم متاثر ہوئی ہے۔ انتظامیہ نے سیزن کے آغاز سے پہلے مولاس کی خریداری کو جارحانہ انداز میں آگے بڑھایا تھا۔ اس طرح شکر گنچ پچھلے سال کی اسی مدت کے مقابلے میں 33 فیصد زیادہ مولاس خریدنے میں کامیاب رہا۔ یارن مارکیٹ کی مجموعی صورتحال کی وجہ سے ہمارا ٹیکسٹائل کا کاروبار متاثر ہوا ہے کیونکہ ٹیکسٹائل کے کاروبار میں مشکل کاروباری ماحول جاری رہا لہذا اس عرصے کے دوران پلانٹ نہیں چل سکا۔

چھ ماہ کی زیر جائزہ مدت کے دوران تمام چیلنجز کے باوجود کمپنی نے پچھلے سال اسی عرصے میں 338.33 ملین روپے کے مجموعی منافع کے مقابلے میں 384.38 ملین روپے کا مجموعی منافع کمایا۔ پچھلے سال آپریشنز سے حاصل ہونے والا 130.80 ملین روپے منافع کے مقابلے میں 175.80 ملین روپے مجموعی منافع رہا۔ کمپنی نے گزشتہ سال کے اسی عرصے میں 38.88 ملین روپے کے بعد از ٹیکس نقصان کے مقابلے میں 181.42 ملین روپے کا قبل از ٹیکس منافع اور 211.69 ملین روپے کے بعد از ٹیکس منافع حاصل کیا۔ کمپنی نے شکر گنچ فوڈ پروڈکٹس لمیٹڈ اپنی ایکویٹی اکاؤنٹ انویسٹمنٹ میں پچھلے سال کے اسی عرصے کے 15.50 ملین روپے منافع کے مقابلے میں 180 ملین روپے کا منافع ریکارڈ کیا ہے۔

کاروباری شعبہ جات:

شوگر ڈویژن

مالی سال 2023 کے پہلے نصف میں شوگر ڈویژن کی آمدنی پچھلے سال کی خالص فروخت 8,512 ملین روپے اور انٹرسٹیٹ فروخت 928 ملین روپے کے مقابلے میں 7,691 ملین روپے اور انٹرسٹیٹ فروخت 1,388 ملین روپے رہی۔ شوگر ڈویژن نے 1,019,181 میٹرک ٹن (HY22: 1,288,891 MT) گنا کرش کر کے 10.26 فی صد (HY22: 9.40 فی صد) کی اوسط سے 104,540 میٹرک ٹن (HY22: 119,308 MT) چینی پیدا کی۔

مجموعی منافع کا مارجن گزشتہ سال کی اسی مدت کے 3.86 فیصد کے مجموعی منافع کے مقابلے میں موجودہ مدت کے دوران 2.60 فیصد رہا۔ یوٹم لائن کا نتیجہ گزشتہ سال کی اسی مدت کے لیے 179.33 ملین روپے منافع کے مقابلے میں 76.02 ملین روپے قبل از ٹیکس منافع رہا۔

بائیو فیول ڈویژن:

اس عرصے کے دوران بائیو فیول ڈویژن کی خالص فروخت آمدنی پچھلے سال کی خالص فروخت 461 ملین روپے کے ساتھ انٹرسٹیٹ فروخت 23 ملین روپے کے مقابلے میں 1,266 ملین روپے کے



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