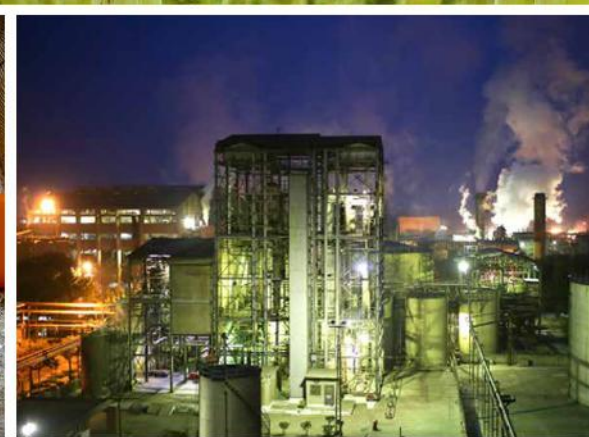




Shakarganj  
Limited



CONDENSED INTERIM REPORT  
FOR THE FIRST QUARTER ENDED  
31 DECEMBER 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

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1. Chairman (Non-Executive)	Manzoor Hussain
2. Chief Executive Officer	Muhammad Saif Ullah
In alphabetic order:	
3. Executive Director	Ali Altaf Saleem
4. Non-Executive Director	Bashir Ahmad
5. Non-Executive Director	Muhammad Iqbal
6. Executive Director	Mustapha Altaf Saleem
7. Non-Executive Director (Independent)	Sana Atif
8. Non-Executive Director (Independent)	Shoaib Ahmad Khan

## Audit Committee

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Chairman	Shoaib Ahmad Khan (Independent)
Member	Bashir Ahmad
Member	Muhammad Iqbal
Member	Sana Atif (Independent)

## Human Resource & Remuneration Committee

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Chairman	Shoaib Ahmad Khan (Independent)
Member	Manzoor Hussain
Member	Bashir Ahmad

## Chief Financial Officer

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Muhammad Asif

## Company Secretary

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Asif Ali

## Management Committees

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### Executive Committee

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Chairman	Muhammad Saif Ullah Muhammad Pervez Akhtar Mustapha Altaf Saleem
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### Business Strategy Committee

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Chairman	Ali Altaf Saleem Muhammad Pervez Akhtar Muhammad Asif
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### System & Technology Committee

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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](mailto: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](mailto:info@corptec.com.pk)

## Products

- Sugar
- Biofuel
- Yarn
- Tiger Compost

## Legal Advisor

Masud & Mirza Associates  
Siddiqui Bari Kasuri & Co.

## Auditors

Kreston Hyder Bhimji & 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](mailto: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](http://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](mailto:info@corptec.com.pk)

# COMPANY PROFILE AND GROUP STRUCTURE

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

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

## Sugar Business:

We have two manufacturing facilities, which are both located in District Jhang. We produce different types of sugar comprising pharmaceutical, beverage and commercial grades sugar as well as soft brown sugar, castor and icing sugar, sugar cubes, sachets and retail packs. Our combined crushing capacity is of 16,000 Tons of Cane per Day (TCD) which is extendable to 20,000 TCD.

## Biofuel Business:

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

## Textile Business:

This cotton spinning unit produces carded cotton and PC yarn ranging from 10/s to 33/s. The installed capacity is 24,960 spindles for cotton spinning.

## Farming & Allied Business:

We have different parcels of agriculture land mainly located in Jhang District near our manufacturing facilities. The main crops include variety Sugarcane, Wheat, Maize, Gram, Fodder and seasonal Vegetables. A dairy farm located at Jhang has also been developed for milking and fattening of cattle. Shakarganj has also developed non-chemicals fertilizers for our grower community. The product as organic fertilizer has been developed using an aerobic decomposition process with addition of standardized microbial culture in filter cake. The product is a rich source of organic matter, with macro and micro nutrients to help improve soil and it is very useful for better growth, yield and quality of all field crops in general and specifically for sugarcane.

## Business Vision and Strategy:

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

## - Serve our Customers:

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

- Operate Efficiently and Safely:

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

- Invest in Long Term Assets and Partnerships:

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

- Invest in Technology and People:

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

- Grow the Contribution from Value Added Products:

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

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

## DAIRY & JUICE DIVISION

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

## DAIRY & JUICE PLANT

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

## MILK PROCUREMENT NETWORK

- Well established network of milk collection centers at prime locations in Pakistan.

- Collection centres run by highly skilled and experienced staff members.
- Quality procurement ensured by well-equipped laboratory and advanced testing facility.
- Advisory services provided by technical team to facilitate higher yield and enhanced milk quality to support the farming community

## PULP & CONCENTRATE DIVISION

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

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



# DIRECTORS' REPORT

The directors of your company have pleasure in submitting their report and the unaudited condensed interim financial statements of the Company for the first quarter ended 31 December 2023.

## Financial and Operational Performance:

Sugarcane crushing season has started with increased support price of Rs. 400 per 40 kg as notified by the Panjab Government. The Company was able to crush 250,465 MT of sugarcane as compared to 322,795 MT of sugarcane in the corresponding period. Average sugarcane cost for Shakarganj increase to Rs. 403 per 40 kg as compared to Rs. 303 per 40 kg in the corresponding period. Significant increase in sugarcane support price without commensurate increase in selling price, further reduce the margin and result in significant loss for the period.

During the quarter ended 31 December 2023, Company's overall sales revenue stood at Rs. 2,317.3 million (1QFY23: Rs. 1,510.4 million) and gross loss of the Company was Rs. 418 million as compared to gross loss of Rs. 179 million in corresponding period last year. The Company's loss before tax was Rs. 569 million as compared to loss before tax of Rs. 223 million in the corresponding period. Loss after tax was Rs. 554 million as compared to Rs. 186 million in the corresponding period.

## Business Segments:

### Sugar Division:

Sugar Division revenue net of tax for the first quarter of Fiscal 2024 was Rs. 1,913.83 million and inter-segment sale of Rs. 20.10 million as against net sales revenue of Rs. 1,107.69 million and inter-segment sale of Rs. 143.79 million during corresponding period of last year. Our Sugar Division crushed 250,465 MT of sugarcane and produced 21,046 MT of sugar at an average recovery of 9.32 percent as against the crushing of 322,795 MT of sugarcane to produced 29,626 MT at an average recovery of 9.79 percent in the corresponding period. As discussed above, because of price hike of raw material this business sustained a gross loss of 17.13% during the current period, compared to a gross loss of 17.42% during the corresponding period of last year. The bottom-line resulted in loss before tax and un-allocated expenses of Rs. 406.77 million as compared to loss before tax and un-allocated expenses of Rs. 278.37 million for the corresponding period last year.

### Biofuel Division:

In Biofuel Division sale revenues during the period under review was declined due to less production which are amounted to Rs. 402.73 million as compared to 402.71 million in the corresponding period last year. Gross loss for the period stood at Rs. 70.50 million as compared to gross profit of Rs. 54.88 million in corresponding period last year. The bottom-line resulted in loss before tax and un-allocated expenses of Rs. 90.14 million as compared to profit before tax and un-allocated expenses of Rs. 27.89 million for the corresponding period last year. During the period under review, this division produced 110,000 litres of biofuel as compared to 1,400,000 in the corresponding period last year.

### Textile Division:

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

## Unconsolidated Financial Position

Balance sheet footing stood at Rs. 19,395.88 million as of 31 December 2023, compared to Rs 19,023.52 million on 30 September 2023. Total shareholders' fund decreased to Rs. 9,623.21 million from Rs. 10,171.60

million as at 30 September 2023. Break-up value per share was Rs. 76.99 as compared to Rs. 81.37 per share as at 30 September 2023.

### Health, Safety, Environment and Corporate Social Responsibility

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

### Future Outlook:

Difficult business environment and heavy sugarcane cost negatively affecting the margins and cash flows. However, as the sugarcane crushing season would go-ahead the situation would be further cleared. On the Biofuel front we are in process of obtaining License under Export Facilitation Scheme of FBR. This would be helpful in bulk buying of molasses for our distillery's operations. We are also planning to run our textile business in second week of current month to make the unit operative for some contribution in revenues. Sugar price scenario is also expected to improve with sugar coming summer season. Management trying is its best to coup with the situation and taking steps to overcome the liquidity crunch with the positive intent.

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

On behalf of Board of Directors



Muhammad Saif Ullah  
Chief Executive Officer



Ali Altaf Saleem  
Director

06 February 2024

Unconsolidated Condensed Interim  
Financial Statements (Un-audited)  
For the First Quarter ended 31 December 2023  
(Shakarganj Limited)

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 DECEMBER 2023 (Un-audited)

	NOTE	31 December 2023 Un-Audited Rupees in thousand	30 September 2023 Audited
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
<b>Authorized share capital</b>			
150,000,000 (30 September 2023: 150,000,000) ordinary shares of Rs. 10 each		1,500,000	1,500,000
50,000,000 (30 September 2023: 50,000,000) preference shares of Rs. 10 each		500,000	500,000
		2,000,000	2,000,000
<b>Issued, subscribed and paid up share capital</b>			
		1,250,000	1,250,000
<b>Reserves</b>			
<b>Capital Reserves</b>			
Surplus on revaluation of property, plant and equipment - net of deferred income tax		9,909,551	10,091,018
Other capital reserves		1,626,998	1,628,418
		11,536,549	11,719,436
<b>Accumulated losses</b>			
		(3,164,680)	(2,797,836)
<b>Total equity</b>		9,621,869	10,171,600
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	3	172,059	185,294
Employees' retirement benefits		727,348	727,348
Deferred income tax liability		2,297,323	2,340,939
		3,196,730	3,253,581
<b>CURRENT LIABILITIES</b>			
Trade and other payables		5,851,863	4,791,983
Short term borrowings		587,300	672,500
Accrued mark-up		54,736	76,806
Current portion of non-current liabilities		52,941	39,706
Unclaimed dividend		1,916	1,916
Provision for taxation		27,186	15,429
		6,575,942	5,598,340
<b>TOTAL LIABILITIES</b>		9,772,672	8,851,921
<b>CONTINGENCIES AND COMMITMENTS</b>	4		
<b>TOTAL EQUITY AND LIABILITIES</b>		19,394,541	19,023,521

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

  
Chief Executive Officer

	NOTE	31 December 2023 Un-Audited Rupees in thousand	30 September 2023 Audited
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	14,478,236	14,661,871
Biological assets		26,722	28,889
Long term investments	6	1,961,757	1,937,220
Long term advances and deposits		37,635	36,135
		16,504,350	16,664,115
<b>CURRENT ASSETS</b>			
Biological assets		-	1,632
Stores, spare parts and loose tools		132,877	91,429
Stock-in-trade	7	1,886,777	1,485,204
Trade debts		241,145	137,753
Loans and advances		171,958	181,080
Prepayments and other receivables		299,509	308,639
Cash and bank balances		67,677	63,421
		2,799,943	2,269,158
Non-current assets held for sale	8	90,248	90,248
		2,890,191	2,359,406
<b>TOTAL ASSETS</b>		<b>19,394,541</b>	<b>19,023,521</b>



Director



Chief Financial Officer

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

For the First Quarter Ended 31 December 2023 (Un-Audited)

	NOTE	31 December 2023 Rupees in thousand	31 December 2022
Revenue	9	2,317,304	1,510,391
Cost of sales	9	(2,734,922)	(1,689,679)
Gross loss		(417,618)	(179,288)
Administrative expenses		(91,131)	(87,526)
Distribution cost		(8,564)	(11,901)
Other expenses		(12,564)	(5,024)
Other income		23,638	14,251
Loss from operations		(506,239)	(269,488)
Finance cost		(83,112)	(89,726)
Share of profit from equity accounted investee		20,542	136,336
Loss before taxation		(568,809)	(222,878)
Taxation		15,083	36,911
Loss after taxation		(553,726)	(185,967)
Loss Per Share - Basic and diluted (Rupees)		(4.43)	(1.49)

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



Chief Executive Officer



Director



Chief Financial Officer

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the First Quarter Ended 31 December 2023 (Un-Audited)

	31 December 2023	31 December 2022
	Rupees in thousand	
Loss after taxation	(553,726)	(185,967)
Other comprehensive loss		
<b>Items that will not be reclassified to profit or loss in subsequent periods:</b>		
Deficit arising on remeasurement of investments at fair value through other comprehensive income / (loss)	3,995	(1,020)
<b>Items that may be reclassified to profit or loss in subsequent periods</b>		
Other comprehensive income / (loss) for the period	3,995	(1,020)
<b>Total comprehensive loss for the period</b>	<b>(549,731)</b>	<b>(186,987)</b>

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



Chief Executive Officer



Director



Chief Financial Officer

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the First Quarter Ended 31 December 2023 (Un-Audited)

Rupees in thousand

	RESERVES									ACCUMULATED LOSS	TOTAL EQUITY	
	CAPITAL RESERVES						REVENUE RESERVES		TOTAL			
	SHARE CAPITAL	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 2022- (Audited)	1,250,000	1,056,373	552,411	(12,835)	155,930	10,256,630	12,008,509	516,306	516,306	12,524,815	(3,266,419)	10,508,396
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	(144,050)	(144,050)	-	-	(144,050)	144,050	-
Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-
Incremental depreciation of property, plant and equipment of equity accounted investee - net of deferred income tax	-	-	(6,608)	-	-	-	(6,608)	-	-	(6,608)	6,608	-
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	-	-	-	-	-	-	-	-	-	-	-	-
Loss for the period	-	-	-	-	-	-	-	-	-	-	(185,967)	(185,967)
Other comprehensive income for the period	-	-	-	(1,020)	-	-	(1,020)	-	-	(1,020)	-	(1,020)
Total comprehensive loss for the period	-	-	-	(1,020)	-	-	(1,020)	-	-	(1,020)	(185,967)	(186,987)
Balance as at 31 December 2022 - (Un-audited)	1,250,000	1,056,373	545,803	(13,855)	155,930	10,112,580	11,856,831	516,306	516,306	12,373,137	(3,301,728)	10,321,409
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	(448,228)	(448,228)	-	-	(448,228)	448,228	-
Adjustment of deferred income tax liability due to re-assessment at year	-	-	-	-	-	430,727	430,727	-	-	430,727	-	430,727
Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment	-	-	-	-	-	(4,061)	(4,061)	-	-	(4,061)	4,061	-
Incremental depreciation of property, plant and equipment of equity accounted investee - net of deferred income tax	-	-	(15,084)	-	-	-	(15,084)	-	-	(15,084)	15,084	-
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	-	-	(26,016)	-	-	-	(26,016)	-	-	(26,016)	26,016	-
Transfer of general reserves to accumulated losses	-	-	-	-	-	-	-	(516,306)	(516,306)	(516,306)	516,306	-
Loss for the period	-	-	-	-	-	-	-	-	-	-	(360,252)	(360,252)
Other comprehensive income for the period	-	-	(75,426)	693	-	-	(74,733)	-	-	(74,733)	(145,551)	(220,284)
Total comprehensive loss for the period	-	-	(75,426)	693	-	-	(74,733)	-	-	(74,733)	(505,803)	(580,536)
Balance as at 30 September 2023 - (Audited)	1,250,000	1,056,373	429,277	(13,162)	155,930	10,091,018	11,719,436	-	-	11,719,436	(2,797,836)	10,171,600
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	(180,136)	(180,136)	-	-	(180,136)	180,136	-
Incremental depreciation of property, plant and equipment of equity accounted investee - net of deferred income tax	-	-	-	-	-	(1,331)	(1,331)	-	-	(1,331)	1,331	-
Incremental depreciation of property, plant and equipment of equity accounted investee - net of deferred income tax	-	-	(5,415)	-	-	-	(5,415)	-	-	(5,415)	5,415	-
Loss for the period	-	-	-	-	-	-	-	-	-	-	(553,726)	(553,726)
Other comprehensive loss for the period	-	-	-	3,995	-	-	3,995	-	-	3,995	-	3,995
Total comprehensive loss for the period	-	-	-	3,995	-	-	3,995	-	-	3,995	(553,726)	(549,731)
Balance as at 31 December 2023 - (Un-audited)	1,250,000	1,056,373	423,862	(9,167)	155,930	9,909,551	11,536,549	-	-	11,536,549	(3,164,680)	9,621,869

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



Chief Executive Officer



Director



Chief Financial Officer

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# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the First Quarter Ended 31 December 2023 (Un-Audited)

	NOTE	31 December 2023 Rupees in thousand	31 December 2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	10	210,520	233,538
Finance cost paid		(75,160)	(68,329)
Income tax paid		(16,776)	(8,999)
Increase in long term advances and deposits		(1,500)	
<b>Net cash generated from / (used in) operating activities</b>		<b>117,084</b>	<b>156,210</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment		(32,721)	(62,388)
Proceeds from sale of property, plant and equipment		5,094	-
<b>Net cash used in from investing activities</b>		<b>(27,628)</b>	<b>(62,388)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short term borrowings - net		(85,200)	-
Repayment of long term financing		-	(41,413)
<b>Net cash used in financing activities</b>		<b>(85,200)</b>	<b>(41,413)</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>4,256</b>	<b>52,409</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD</b>		<b>63,421</b>	<b>30,639</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>		<b>67,677</b>	<b>83,048</b>

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



Chief Executive Officer



Director



Chief Financial Officer

# SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the First Quarter Ended 31 December 2023 (Un-Audited)

## 1 The Company and its Operations

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

## 1.2 Going concern assumption

The Company has incurred loss after taxation of Rs. 553.73 million and its accumulated losses are of Rs. 3,164.68 million as at 31 December 2023. The current liabilities of the Company exceeded its current assets by Rs. 3,685.75 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 financial statements have been prepared on going concern basis due to following reasons:

- The Company is making arrangements to sell its agriculture land having market value of Rs. 755.55 million. For this purpose, approval of shareholders has been obtained in Annual General Meeting of the Company held on 28 February 2022 subject to further orders of Lahore High Court, Lahore and Sindh High Court, Karachi along with no objection from lenders. The proceeds through disposal of land will be utilized by the Company to pay to sugarcane growers and to settle the other liabilities of the Company while the remaining proceeds will be utilized for up gradation of plant and machinery of textile and sugar divisions at Jhang.

- The management of the Company has firmed up a turnaround plan based on disposal of the Bhone Unit of the Company which includes Sugar and Biofuel divisions. Book value of freehold land, building and plant and machinery as at 31 December 2023 is Rs. 7.52 billion. Price discovery by the management for the whole Bhone Unit of the Company including related licenses / rights when built in the future plan results in debt free business, surplus funds and profits for the Company. The management has planned to seek required approvals for roll out of the turnaround plan before the end of financial year 30 September 2024.

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

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

# SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the First Quarter Ended 31 December 2023 (Un-Audited)

## 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. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- ii) These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 September 2023. 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 2023.

### 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 30 September 2023.

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding annual audited published financial statements of the Company for the year ended 30 September 2023.

### 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.

# SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the First Quarter Ended 31 December 2023 (Un-Audited)

## 2.4 Non-current assets held for sale

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

	31 December 2023 (Un-audited)	30 September 2023 (Audited)
	Rupees in thousand	
<b>3 Long Term Financing</b>		
Financing from banking companies and financial institution - secured		
Opening balance	225,000	41,413
Add: Obtained during the period / year	-	225,000
	225,000	266,413
Less: Repaid during the period / year	-	41,413
	225,000	225,000
Less: Current portion shown under current liabilities	(52,941)	(39,706)
	172,059	185,294

## 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 2023.

### 4.2 Commitments

There is no contract for capital and other expenditure as at 31 December 2023 (30 September 2023: Nil).

	NOTE	31 December 2023 (Un-audited)	30 September 2023 (Audited)
		Rupees in thousand	
<b>5 Property, Plant And Equipment</b>			
Operating fixed assets	5.1	14,076,846	14,262,799
Capital work-in-progress	5.2	401,390	399,072
		14,478,236	14,661,871
<b>5.1 Operating fixed assets</b>			
Opening book value		14,262,799	15,085,370
Add: Cost of additions during the period / year	5.1.1	30,403	109,094
		14,293,202	15,194,464
Less: Book value of deletions during the period / year	5.1.2	1,957	7,047
		14,291,245	15,187,417
Less: Depreciation charged during the period / year		214,399	924,618
		14,076,846	14,262,799

# SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the First Quarter Ended 31 December 2023 (Un-Audited)

	NOTE	31 December 2023 (Un-audited) Rupees in thousand	30 September 2023 (Audited)
<b>5.1.1</b>	<b>Cost of additions during the period / year</b>		
	Plant and machinery	30,375	102,211
	Tools and equipment	-	28
	Water electric and weighbridge equipment	-	860
	Vehicles	-	5,800
	Furniture and fixtures	28	195
		<b>30,403</b>	<b>109,094</b>
<b>5.1.2</b>	<b>Book value of deletions during the period / year</b>		
	Plant and machinery	1,953	6,120
	Furniture and fixtures	-	51
	Vehicles	4	876
		<b>1,957</b>	<b>7,047</b>
<b>5.2</b>	<b>Capital work-in-progress</b>		
	Civil works	6,201	6,201
	Plant and machinery	277,467	288,976
		<b>283,668</b>	<b>295,177</b>
	Advances against capital work-in-progress	154,660	140,833
	Less: Provision against doubtful advances	(36,938)	(36,938)
		<b>117,722</b>	<b>103,895</b>
		<b>401,390</b>	<b>399,072</b>
<b>6</b>	<b>Long Term Investments</b>		
	Investment in equity accounted investee	6.1 1,953,183	1,932,641
	Investments at fair value through other comprehensive income	8,574	4,579
		<b>1,961,757</b>	<b>1,937,220</b>

# SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the First Quarter Ended 31 December 2023 (Un-Audited)

	NOTE	31 December 2023 (Un-audited) Rupees in thousand	30 September 2023 (Audited)
6.1	Investment in equity accounted investee		
	Shakarganj Food Products Limited - unquoted		
	87,785,643 (30 September 2023: 87,785,643) fully paid ordinary shares of Rs. 10 each		
	Equity held: 52.39% (30 September 2023: 52.39%)		
6.1.1	Movement during the period / year		
	Cost	590,784	590,784
	Share of post acquisition reserves:		
	Opening balance	1,341,857	1,318,176
	Share of profit after taxation for the period / year	20,542	87,325
	Share of other comprehensive income for the period / year	-	(63,644)
	Share of equity / musharakah financing for the period / year	-	-
		1,362,399	1,341,857
	Closing balance	1,953,183	1,932,641

		31 December 2023 (Un-audited) Rupees in thousand	30 September 2023 (Audited)
7	STOCK-IN-TRADE		
	Raw materials	867,889	739,031
	Work-in-process	315,540	13,126
	Finished goods	703,347	733,047
		1,886,777	1,485,204

## 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	90,248	90,248
-------------------------------	--------	--------

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 04 January 2021. The management is hopeful of completing the sale transaction of these assets during the current financial year.

# SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the First Quarter Ended 31 December 2023 (Un-Audited)

## 9 Segment Information

Rupees in thousand  
(Un-audited)

	Sugar		Biofuel		Textile		Farms		Elimination of Inter-segment transactions		Total	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	<b>9.1 Revenue</b>											
External Intersegment	1,913,832	1,107,686	402,728	402,705	-	-	744	-	-	-	2,317,304	1,510,391
	20,098	143,789	-	-	-	-	-	-	(20,097)	(143,789)	-	-
Cost of revenue	1,933,930	1,251,475	402,728	402,705	(15,567)	(15,948)	744	-	(20,097)	(143,789)	2,317,304	1,510,391
	(2,265,221)	(1,469,493)	(473,228)	(347,822)	(15,567)	(15,948)	(1,004)	(205)	20,097	143,789	(2,734,923)	(1,689,679)
Gross profit / (loss)	(331,291)	(218,018)	(70,500)	54,883	(15,567)	(15,948)	(260)	(205)	-	-	(417,619)	(179,288)
Administrative expenses	(71,867)	(57,264)	(14,966)	(18,426)	(4,293)	(11,836)	(5)	-	-	-	(91,131)	(87,526)
Distribution cost	(3,610)	(3,083)	(4,673)	(8,572)	(281)	(246)	-	-	-	-	(8,564)	(11,901)
	(75,477)	(60,347)	(19,639)	(26,998)	(4,574)	(12,082)	(5)	-	-	-	(99,695)	(99,427)
(Loss) / profit before taxation and unallocated income and expenses	(406,768)	(278,365)	(90,139)	27,885	(20,141)	(28,030)	(265)	(205)	-	-	(517,314)	(278,715)
<b>Unallocated income and expenses:</b>												
Other expenses											(12,564)	(5,024)
Finance cost											(83,112)	(89,726)
Other income											23,638	14,251
Share of profit / (loss) from equity accounted investee											20,542	136,336
Taxation											15,083	36,911
Loss after taxation											(553,726)	(185,967)

## 9.2 Reconciliation of reportable segment assets and liabilities:

	Sugar		Biofuel		Textile		Farms		Total	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	31 December 2023	30 September 2023	31 December 2023	30 September 2023	31 December 2023	30 September 2023	31 December 2023	30 September 2023	31 December 2023	30 September 2023
<b>Total assets for reportable segments</b>	9,907,343	9,430,410	5,863,461	5,967,349	537,855	547,422	657,611	661,429	16,966,271	16,606,610
Unallocated assets									2,428,270	2,416,911
<b>Total assets as per unconsolidated condensed interim statement of financial position</b>									19,394,541	19,023,521
<b>Total liabilities for reportable segments</b>	5,734,994	5,136,197	2,172,116	1,866,164	137,947	142,403	20,394	17,402	8,065,451	7,162,166
Unallocated liabilities									1,707,221	1,689,755
<b>Total liabilities as per unconsolidated condensed interim statement of financial position</b>									9,772,672	8,851,921

## 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 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Europe	-	-	1,012,882	247,351	-	-	-	-	1,012,882	247,351
Asia	475,886	-	147,371	147,371	-	-	-	-	623,257	147,371
Pakistan	7,222,483	1,107,686	203,195	7,983	-	-	744	-	7,426,422	1,115,669
	7,698,368	1,107,686	1,363,448	402,705	-	-	744	-	9,062,560	1,510,391

# SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the First Quarter Ended 31 December 2023 (Un-Audited)

	NOTE	31 December 2023 Rupees in thousand	31 December 2022
<b>10 CASH GENERATED FROM / (USED IN) OPERATIONS</b>			
Loss before taxation		(568,809)	(222,878)
Adjustments for non-cash charges and other items:			
Depreciation		214,399	230,238
Gain on sale of property, plant and equipment		(3,137)	-
Fair value adjustment of agricultural assets		612	-
Share of loss / (profit) from equity accounted investee		(20,542)	(136,336)
Unrealized loss on agriculture income		2,167	3,162
Finance cost		83,112	89,726
Working capital changes	10.1	502,717	269,626
		210,520	233,538
<b>10.1 Working capital changes</b>			
(Increase) / decrease in current assets:			
Stores, spare parts and loose tools		(41,448)	(57,269)
Stock-in-trade		(401,573)	(1,671,384)
Trade debts		(103,392)	29,942
Loans and advances		9,122	69,027
Prepayments and other receivables		9,130	(10,991)
Biological assets - net		1,020	867
		(527,141)	(1,639,808)
Increase in trade and other payables		1,029,858	1,909,434
		502,717	269,626
<b>11. TRANSACTIONS WITH RELATED PARTIES</b>			
Detail of transactions and balances with related parties is as follows:			
<b>i) Transactions</b>			
<b>Subsidiary company</b>			
Sale of goods		5,819	7,940
Common expenses shared		735	648
<b>Associated companies</b>			
Common expenses shared		1,327	988
Insurance expenses		-	1,993
Sale of goods and rendering of services		682	1,042
<b>Other related parties</b>			
Company's contribution to Employees' Provident Fund Trust		2,985	3,140
Mark-up expense		22,719	16,300
Remuneration and meeting fee paid to Chief Executive Officer, directors and executives		38,308	29,988



# SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the First Quarter Ended 31 December 2023 (Un-Audited)

	31 December 2023 (Un-audited) (Rupees in thousand)	30 September 2023 (Audited)
ii) Period end balances		
Subsidiary company		
Trade debts	21,373	27,930
Trade and other payables	2,675	1,969
Associated companies		
Loans and advances	8,433	7,217
Cash and bank balances	4,796	131
Short term borrowings	190,000	200,000
Long term borrowings	225,000	225,000
Accrued mark-up	18,306	39,707
Other related parties		
Trade and other payables	557,323	536,457
Other receivables	2,941	11,181
	31 December 2023 (Rupees in thousand)	31 December 2022
12 DISCLOSURE BY COMPANY LISTED ON ISLAMIC INDEX		
Description		
Revenue earned from shariah compliant business	-	1,510,391
Unrealized loss on remeasurement of investments at FVTOCI	-	(1,020)
Gain / (loss) or dividend earned from shariah compliant investments		
Exchange gain	-	4,581
Mark-up paid on Islamic mode of financing	-	16,300
Profit earned or interest paid on any conventional loan / advance		
Mark-up on long term financing	-	1,546
Mark-up on short term borrowings	-	26,129
Profit earned on deposits with banks	-	7

# SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the First Quarter Ended 31 December 2023 (Un-Audited)

- 12.1 With regard to Notice No. 666 of Pakistan Stock Exchange Limited, the Company was delisted from islamic index with effect from 10 July 2023.

## 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
Habib Bank Limited	Bank balances

- 12.2 There was no profit on deposits with shariah compliant banks and no gain or dividend earned on shariah

## 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 underneath the table:

(Rupees in thousand)

Level 1	Level 2	Level 3	Total
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### Financial assets - recurring fair value measurement

#### At 31 December 2023 - (Un-audited)

At fair value through other comprehensive income	8,574	-	-	8,574
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#### At 30 September 2023 - (Audited)

At fair value through other comprehensive income	4,579	-	-	4,579
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The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to the short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

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

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

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives 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.

# SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the First Quarter Ended 31 December 2023 (Un-Audited)

**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 FOR ISSUE

These unconsolidated condensed interim financial statements were approved and authorized for issue on 06 February 2024 by the Board of Directors of the Company.

## 15 CORRESPONDING FIGURES

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

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

## 16 GENERAL

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



Chief Executive Officer



Director



Chief Financial Officer

Consolidated Condensed Interim  
Financial Statements (Un-audited)  
For the First Quarter ended 31 December 2023  
(Shakarganj Limited and Its Subsidiary Company)

# DIRECTORS' REPORT CONSOLIDATED

The directors of your company have pleasure in submitting their report and the unaudited condensed interim financial statements of the Group for the first quarter ended 31 December 2023.

## Group Financial Performance:

The financial results of the Group are summarised below:

	31 December 2023	31 December 2022
	(Rupees in thousand)	
Revenue	5,936,696	6,981,643
Gross profit	44,778	893,645
(Loss) / profit from operations	(341,428)	221,868
(Loss) / profit before taxation	(531,262)	37,186
Taxation	(3,796)	(99,256)
Loss for the period	(535,058)	(62,070)
Loss per share - basic and diluted (Rupees)	(4.43)	(1.49)

On a consolidated basis, gross profit was Rs. 44.78 million as compared to Rs. 893.65 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. 27,782.32 million as at 31 December 2023, compared to Rs. 27,396.46 million as at 30 September 2023. Total equity decreased to Rs. 11,325.41 million on the period end 31 December 2023 from Rs. 11,856.47 million as at 30 September 2023.

## 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.

On behalf of Board of Directors



Muhammad Saif Ullah  
Chief Executive Officer



Ali Altaf Saleem  
Director

06 February 2024

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023 (Un-audited)

	NOTE	Un-Audited 31 December 2023 Rupees in thousand	Audited 30 September 2023
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
150 000 000 (30 September 2023: 150 000 000) ordinary shares of Rs. 10 each		1,500,000	1,500,000
50 000 000 (30 September 2023: 50 000 000) preference shares of Rs. 10 each		500,000	500,000
		2,000,000	2,000,000
<b>Issued, subscribed and paid up share capital</b>		1,250,000	1,250,000
<b>Capital reserves</b>			
Surplus on revaluation of property, plant and equipment - net of deferred income tax		10,373,953	10,560,835
Other capital reserves		1,244,577	1,240,582
<b>Accumulated loss</b>		(3,253,340)	(2,886,496)
<b>Equity attributable to equity holders of the Holding Company</b>		9,615,190	10,164,921
<b>Non-controlling interest</b>		1,710,216	1,691,548
<b>TOTAL EQUITY</b>		11,325,406	11,856,469
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	3	197,059	216,544
Lease liabilities		80,918	142,548
Deferred liabilities		1,136,277	1,138,400
Deferred income tax liability		2,643,088	2,715,215
		4,057,342	4,212,707
<b>CURRENT LIABILITIES</b>			
Trade and other payables		10,495,823	9,323,219
Musharakah Financing - Debt Portion		154,726	149,452
Short term borrowings		936,300	1,024,700
Accrued mark-up		124,976	167,160
Current portion of non-current liabilities		658,647	645,412
Provision for taxation		27,186	15,429
Unclaimed dividend		1,916	1,916
		12,399,574	11,327,288
<b>TOTAL LIABILITIES</b>		16,456,916	15,539,995
<b>CONTINGENCIES AND COMMITMENTS</b>	4		
<b>TOTAL EQUITY AND LIABILITIES</b>		27,782,322	27,396,464

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

  
Chief Executive Officer

	NOTE	Un-Audited 31 December 2023 Rupees in thousand	Audited 30 September 2023
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	19,667,819	19,920,078
Right-of-use assets		562,142	572,272
Intangible asset		859	1,145
Biological assets		26,722	28,889
Investments		8,574	4,579
Long term loans and advances		18,048	16,462
Long term deposits		121,814	120,264
Deferred Tax		-	
		20,405,978	20,663,689
<b>CURRENT ASSETS</b>			
Biological assets		-	1,632
Stores, spare parts and loose tools		378,481	339,434
Stock-in-trade	6	2,462,785	2,192,296
Trade debts		298,815	187,750
Loans and advances		228,955	243,492
Deposits, prepayments and other receivables		2,285,569	2,104,011
Advance income tax		678,754	636,252
Cash and bank balances		148,697	133,620
		6,482,056	5,838,487
Non-current assets held for sale		894,288	894,288
<b>TOTAL ASSETS</b>		<b>27,782,322</b>	<b>27,396,464</b>



Director



Chief Financial Officer

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE FIRST QUARTER ENDED 31 DECEMBER 2023 (Un-Audited)

	NOTE	31 December 2023 Rupees in thousand	31 December 2022
Revenue	7	5,936,696	6,981,643
Cost of revenue	7	(5,891,918)	(6,087,998)
Gross profit		44,778	893,645
Distribution cost		(278,389)	(528,399)
Administrative expenses		(130,327)	(126,429)
Other expenses		(23,949)	(44,749)
Other income		46,459	27,800
Loss from operations		(341,428)	221,868
Finance cost		(189,834)	(184,682)
Loss before taxation		(531,262)	37,186
Taxation		(3,796)	(99,256)
Loss after taxation		(535,058)	(62,070)
Share of loss attributable to:			
Equity holders of holding company		(553,726)	(185,967)
non-controlling interest		18,668	123,897
		(535,058)	(62,070)
Loss per share - basic and diluted (rupees)		(4.43)	(1.49)

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



Chief Executive Officer



Director



Chief Financial Officer



# CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE FIRST QUARTER ENDED 31 DECEMBER 2023 (Un-Audited)

	31 December 2023	31 December 2022
	Rupees in thousand	
LOSS AFTER TAXATION	(535,058)	(62,070)
OTHER COMPREHENSIVE 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	3,995	(1,020)
Items that may be reclassified to profit or loss in subsequent periods	-	-
Other comprehensive (loss) / income for the period	3,995	(1,020)
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(531,063)</b>	<b>(63,090)</b>
SHARE OF TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:		
EQUITY HOLDERS OF HOLDING COMPANY	(549,731)	(186,987)
NON-CONTROLLING INTEREST	18,668	123,897
	<b>(531,063)</b>	<b>(63,090)</b>

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



Chief Executive Officer



Director



Chief Financial Officer

**CONSOLIDATED CONDENSED INTERIM  
STATEMENT OF CHANGES IN EQUITY**  
For the First Quarter Ended 31 December 2023 (Un-Audited)

Rupees in thousand

	RESERVES									ACCUMULATED LOSS	SHAREHOLDERS' EQUITY	NON-CONTROLLING INTEREST	TOTAL EQUITY	
	CAPITAL RESERVES						REVENUE RESERVES		Total Reserves					
	SHARE CAPITAL	Premium on issue of right shares	Fair value reserve of investments at fair value through other comprehensive income	Difference of capital under scheme of arrangement of merger	Surplus on revaluation of property, plant and equipment - net of deferred income tax	Musharakah financing - equity portion	Sub total	General						Sub total
Balance as at 30 September 2022	1,250,000	1,056,373	(12,835)	155,930	10,849,580	41,441	12,090,489	516,306	516,306	12,606,795	(3,380,018)	10,476,777	1,670,029	12,146,806
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	(150,658)	-	(150,658)	-	-	(150,658)	150,658	-	-	-
Loss for the period	-	-	-	-	-	-	-	-	-	-	(185,967)	(185,967)	123,897	(62,070)
Other comprehensive loss for the period	-	-	(1,020)	-	-	-	(1,020)	-	-	(1,020)	-	(1,020)	-	(1,020)
Total comprehensive income / (loss) for the period	-	-	(1,020)	-	-	-	(1,020)	-	-	(1,020)	(185,967)	(186,987)	123,897	(63,090)
Balance as at 31 December 2022	1,250,000	1,056,373	(13,855)	155,930	10,698,922	41,441	11,938,811	516,306	516,306	12,455,117	(3,415,327)	10,289,790	1,793,926	12,083,716
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	(463,312)	-	(463,312)	-	-	(463,312)	463,312	-	-	-
Adjustment of deferred income tax liability due to re-assessment at year end	-	-	-	-	430,727	-	430,727	-	-	430,727	-	430,727	-	430,727
Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment	-	-	-	-	(30,076)	-	(30,076)	-	-	(30,076)	30,076	-	-	-
Transfer from general reserve to retained earnings	-	-	-	-	-	-	-	(516,306)	(516,306)	(516,306)	516,306	-	-	-
Loss for the period	-	-	-	-	-	-	-	-	-	-	(335,312)	(335,312)	(44,540)	(379,852)
Other comprehensive income for the period	-	-	693	-	(75,426)	-	(74,733)	-	-	(74,733)	(145,551)	(220,284)	(57,838.00)	(278,122)
Total comprehensive loss for the period	-	-	693	-	(75,426)	-	(74,733)	-	-	(74,733)	(480,863)	(555,596)	(102,378)	(657,974)
Balance as at 30 September 2022	1,250,000	1,056,373	(13,162)	155,930	10,560,835	41,441	11,801,417	-	-	11,801,417	(2,886,496)	10,164,921	1,691,548	11,856,469
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	(185,551)	-	(185,551)	-	-	(185,551)	185,551	-	-	-
Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment - net of deferred income tax	-	-	-	-	(1,331)	-	(1,331)	-	-	(1,331)	1,331	-	-	-
Loss for the period	-	-	-	-	-	-	-	-	-	-	(553,726)	(553,726)	18,668	(535,058)
Other comprehensive income for the period	-	-	3,995	-	-	-	3,995	-	-	3,995	-	3,995	-	3,995
Total comprehensive loss for the period	-	-	3,995	-	-	-	3,995	-	-	3,995	(553,726)	(549,731)	18,668	(531,063)
Balance as at 31 December 2023	1,250,000	1,056,373	(9,167)	155,930	10,373,953	41,441	11,618,530	-	-	11,618,530	(3,253,340)	9,615,190	1,710,216	11,325,406

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



Chief Executive Officer



Director



Chief Financial Officer

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE FIRST QUARTER ENDED 31 DECEMBER 2023 (Un-Audited)

	NOTE	31 December 2023	31 December 2022
		Rupees in thousand	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	8	509,240	496,177
Finance cost paid		(196,722)	(151,891)
Net decrease in long term loans, advances		(1,586)	(851)
Net decrease (increase) in long term security deposits		(1,550)	1,347
Employees' benefits paid		(17,482)	(16,795)
Income tax paid		(106,668)	(80,218)
<b>Net cash generated from operating activities</b>		<b>185,232</b>	<b>247,769</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(32,721)	(67,027)
Proceeds from disposal of property, plant and equipment		18,846	368
<b>Net cash used in investing activities</b>		<b>(13,875)</b>	<b>(66,659)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short term borrowings - net		(88,400)	(9,900)
Repayment of long term financing		(6,250)	(89,316)
Lease liabilities - net		(61,630)	(55,111)
<b>Net cash used in financing activities</b>		<b>(156,280)</b>	<b>(154,327)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>15,077</b>	<b>26,783</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD</b>		<b>133,620</b>	<b>77,600</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>		<b>148,697</b>	<b>104,383</b>

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



Chief Executive Officer



Director



Chief Financial Officer

# SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the First Quarter Ended 31 December 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 (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 SL is situated at E-Floor, IT Tower, 73-E/1, Hali Road, Gulberg-III, Lahore

The Holding Company has incurred loss after taxation of Rs. 553.73 million and its accumulated losses are of Rs. 3,164.68 million as at 31 December 2023. The current liabilities of the Company exceeded its current assets by Rs. 3,685.75 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 financial statements have been prepared on going concern basis due to following reasons:

The Holding Company is making arrangements to sell its agriculture land having market value of Rs. 755.55 million. For this purpose, approval of shareholders has been obtained in Annual General Meeting of the Holding Company held on 28 February 2022 subject to further orders of Lahore High Court, Lahore and Sindh High Court, Karachi along with no objection from lenders. The proceeds through disposal of land will be utilized by the Holding Company to pay to sugarcane growers and to settle the other liabilities of the Holding Company while the remaining proceeds will be utilized for up gradation of plant and machinery of textile and sugar divisions at Jhang.

The management of the Holding Company has firmed up a turnaround plan based on disposal of the Bhone Unit of the Holding Company which includes Sugar and Biofuel divisions. Book value of freehold land, building and plant and machinery as at 31 December 2023 is Rs. 7.52 billion. Price discovery by the management for the whole Bhone Unit of the Holding Company including related licenses / rights when built in the future plan results in debt free business, surplus funds and profits for the Holding Company. The management has planned to seek required approvals for roll out of the turnaround plan before the end of financial year 30 September 2024.

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

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

# SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the First Quarter Ended 31 December 2023 (Un-Audited)

The Holding Company remains committed to its best efforts to improve liquidity position. The financial projections of the Holding Company show improvements in cash generation and profits. The management considers that the measures as explained above would result in availability of adequate financial resources for the Holding Company to sustain the continuity of its business for the foreseeable future and thus maintain its going concern status. Accordingly, 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 December 2023 (September 2023: 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 2023. 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 2023.

### 2.2 Critical accounting estimates, judgments and financial risk management

# SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the First Quarter Ended 31 December 2023 (Un-Audited)

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 2023.

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 2023.

## 2.4 Seasonality of operations

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

	31 December 2023	30 September 2022
	Rupees in thousand	
<b>3. LONG TERM FINANCING</b>		
Opening balance	607,500	538,913
Add: long term loans obtained	-	225,000
Less: Repaid during the period / year	(6,250)	(156,413)
	601,250	607,500
Less: Current portion shown under current liabilities	(404,191)	(390,956)
	197,059	216,544

## 4. CONTINGENCIES AND COMMITMENTS

### 4.1 Contingencies

There is no material change in the status of contingencies as set out in note 14 (a) to the consolidated financial statements of the Company for the year ended 30 September 2023.

### 4.2 Commitments

- (i) Contracts for capital expenditure of Group are of Nil as at 31 December 2023 (30 September 2023: Rupees Nil), while the contract for other than capital expenditure of the Group are of Rs. 14.986 million (30 September 2023: Rs. 17.784 million)
- (ii) Ijarah (operating lease) commitments are of Rupees 9.688 million as at 31 December 2023 (30 September 2023: Rupees 10.754 million).

# SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the First Quarter Ended 31 December 2023 (Un-Audited)

	NOTE	31 December 2023 Rupees in thousand	30 September 2023
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	19,266,429	19,521,006
Capital work-in-progress		401,390	399,072
		<b>19,667,819</b>	<b>19,920,078</b>
<b>5.1 Operating fixed assets</b>			
Opening book value		19,521,006	21,074,204
Add: Cost of additions during the period / year	5.1.1	30,403	134,088
Reclassification of assets		-	1,883
Transferred from lease assets		-	673,093
		<b>19,551,409</b>	<b>21,883,268</b>
Less: Book value of deletions during the period / year		4,357	50,182
Transferred to non-current assets held for sale		-	1,080,514
		<b>19,547,052</b>	<b>20,752,572</b>
Depreciation charged during the period / year		280,623	1,231,566
		<b>19,266,429</b>	<b>19,521,006</b>
<b>5.1.1 Cost of additions during the period / year</b>			
Building		-	1,697
Plant and machinery		30,375	119,991
Tools and equipment		-	28
Water, electric and weighbridge equipment		-	1,233
Furniture and fixtures		28	318
Office equipment		-	881
Vehicles		-	9,940
		<b>30,403</b>	<b>134,088</b>
<b>6. STOCK-IN-TRADE</b>			
Raw materials		1,108,430	1,026,222
Packing material		214,004	338,095
Work-in-process		335,782	13,126
Finished goods		804,569	814,853
		<b>2,462,785</b>	<b>2,192,296</b>

# SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the First Quarter Ended 31 December 2023 (Un-Audited)

## 7. SEGMENT INFORMATION

Rupees in thousand  
(Un-audited)

71	Sugar		Biofuel		Textile		Farms		Dairy		Juice		Elimination of Inter-segment		Total		
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	
	Revenue																
External Intersegment	1,908,013 25,917	1,099,746 151,729	402,728 -	402,705 -	- -	- -	744 -	- -	3,625,052 -	5,423,976 -	159 -	55,216 -	- (25,917)	- (151,729)	5,936,696 -	6,981,643 -	
Cost of revenue	(2,265,221)	(1,469,496)	(473,228)	(347,822)	(15,567)	(15,948)	(1,004)	(205)	(3,159,964)	(4,357,667)	(2,851)	(48,589)	25,917	151,729	(5,891,918)	(6,087,998)	
Gross (loss) / profit	(331,291)	(218,021)	(70,500)	54,883	(15,567)	(15,948)	(260)	(205)	465,088	1,066,309	(2,692)	6,627	-	-	44,778	893,645	
Administrative expenses	(71,867)	(57,263)	(14,966)	(18,426)	(4,293)	(11,836)	(5)	-	(39,195)	(38,903)	-	-	-	-	(130,327)	(126,429)	
Distribution cost	(3,610)	(3,083)	(4,673)	(8,572)	(281)	(246)	-	-	(269,095)	(511,484)	(730)	(5,014)	-	-	(278,389)	(528,399)	
(Loss) / profit before taxation and unallocated income and expenses	(75,477)	(60,346)	(19,639)	(26,998)	(4,574)	(12,082)	(5)	-	(308,290)	(550,387)	(730)	(5,014)	-	-	(408,716)	(654,828)	
Unallocated income and expenses:																	
Other expenses																(23,949)	(44,749)
Finance cost																(189,834)	(184,682)
Other income																46,459	27,800
Taxation																(3,796)	(99,256)
Loss after taxation																(535,058)	(62,070)

## 72 Reconciliation of reportable segment assets and liabilities:

Rupees in thousand  
(Un-audited) (Audited)

	Sugar		Biofuel		Textile		Farms		Dairy		Juice		Total	
	31 Dec 2023	30 Sep 2023	31 Dec 2023	30 Sep 2023	31 Dec 2023	30 Sep 2023	31 Dec 2023	30 Sep 2023	31 Dec 2023	30 Sep 2023	31 Dec 2023	30 Sep 2023	31 Dec 2023	30 Sep 2023
	Total assets for reportable segments	9,885,970	9,402,480	5,863,461	5,967,349	537,855	544,922	657,611	661,429	9,900,332	9,874,443	461,914	459,072	27,307,143
Unallocated assets													475,179	486,769
Total assets as per consolidated condensed interim statement of financial position													27,782,322	27,396,464
Total liabilities for reportable segments	5,732,229	5,134,228	2,172,116	1,866,164	137,947	142,403	20,394	17,402	6,506,334	6,412,170	245,532	342,444	14,814,552	13,914,811
Unallocated liabilities													1,642,364	1,625,184
Total liabilities as per consolidated condensed interim statement of financial position													16,456,916	15,539,995



# SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the First Quarter Ended 31 December 2023 (Un-Audited)

		(Un-audited)	
		31 December 2023	31 December 2022
		Rupees in thousand	
NOTE			
8.	<b>CASH GENERATED FROM OPERATIONS</b>		
	Loss before taxation	(531,262)	37,186
	Adjustments for non-cash charges and other items:		
	Depreciation of fixed assets	280,623	304,391
	Depreciation of lease assets	10,130	18,020
	Amortization of intangible asset	286	286
	Gain on sale of property, plant and equipment	(14,489)	(244)
	Finance cost	189,834	184,682
	Exchange loss	-	886
	Provision for employees' retirement benefits	15,610	11,226
	Amortization of deferred income	(251)	(263)
	Unrealized loss / (gain) on agriculture income	2,167	3,162
	Working capital changes	556,592	(63,155)
		<u>509,240</u>	<u>496,177</u>
8.1	<b>Working capital changes</b>		
	(Increase) / decrease in current assets:		
	Stock-in-trade	(270,489)	(1,705,926)
	Trade debts	(111,065)	(8,892)
	Stores, spare parts and loose tools	(39,047)	(70,390)
	Loans and advances	14,537	45,855
	Deposits, prepayments and other receivables	(181,558)	(275,106)
	Biological assets - net	1,632	867
		(585,990)	(2,013,592)
	(Decrease) / Increase in trade and other payables	1,142,582	1,950,437
		<u>556,592</u>	<u>(63,155)</u>

# SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the First Quarter Ended 31 December 2023 (Un-Audited)

## 9. TRANSACTIONS WITH RELATED PARTIES

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

	(Un-audited)	
	31 December 2023	31 December 2022
	Rupees in thousand	
<b>i) Transactions</b>		
<b>Associated companies</b>		
Purchase of goods		-
Common expenses shared	2,058	1,614
Insurance expenses	-	1,993
Sale of goods and rendering of services	682	1,042
Mark-up on borrowing	30,946	29,654
Ijarah rentals	-	30
<b>Other related parties</b>		
Holding Company's contribution to employees retirement benefits	2,985	3,140
Godown and guest house rent	1,411	658
Share of common expenses	732	639
Remuneration paid to Chief Executive Officer, directors and	100,538	92,282
	(Un-audited)	
	31 December 2023	30 September 2023
	Rupees in thousand	
<b>ii) Period end balances</b>		
<b>Associated companies</b>		
Loans and advances	12,591	14,289
Cash and bank balances	26,212	4,871
Short term borrowings	510,000	520,000
Long term borrowings	225,000	225,000
Musharakah financing	154,726	149,452
Accrued mark-up	60,844	99,747
<b>Other related parties</b>		
Trade and other payables	557,323	536,457
Other receivables	2,941	11,181

# SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the First Quarter Ended 31 December 2023 (Un-Audited)

## 10. DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were approved and authorized for issue on 06 February 2024 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 کی مجتمع رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 31 دسمبر 2023 کو ختم ہونے والی پہلے سہ ماہی کے لئے گروپ کے غیر آڈٹ شدہ مجمع مالی حسابات کے ساتھ اپنی رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔

## گروپ کے مالیاتی نتائج:

گروپ کے مالیاتی نتائج کا خلاصہ حسب ذیل ہے:

### روپے ہزاروں میں

2022	2023	
6,981,643	5,936,696	آمدن
893,645	44,778	مجموعی منافع
221,868	(341,428)	آپریٹنگ سے نقصان / منافع
37,186	(531,262)	قبل از ٹیکس نقصان / منافع
(99,256)	(3,796)	ٹیکسیشن
(62,070)	(535,058)	بعد از ٹیکس نقصان
(1.49)	(4.43)	نقصان فی شیئر - بنیادی اور معتدل (روپے)

گروپ کی بنیاد پر مجتمع مجموعی منافع پچھلے سال کے 893.645 ملین روپے کے مقابلے میں 44.78 ملین روپے رہا۔ ہم ڈیٹا میں اضافے کے ساتھ مالی سال کے بقیہ حصے میں مجموعی طور پر گروپ کی کارکردگی میں مزید بہتری کے لیے پرامید ہیں۔

گروپ کی بنیاد پر مجتمع بیلنس شیٹ 30 ستمبر 2023 کے 27,396.46 ملین روپے کے مقابلے میں 31 دسمبر 2023 کو 27,782.32 ملین روپے پر رہی۔ مجموعی ایکویٹی 30 ستمبر 2023 پر 11,856.47 ملین روپے سے 31 دسمبر 2023 پر 11,325.41 ملین روپے تک کم ہوئی۔

## 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

علی الطاف سلیم

ڈائریکٹر

محمد سیف اللہ

چیف ایگزیکٹو آفیسر

06 فروری 2024ء

منقول کر دیا جاتا ہے۔ تکنیکی ترقیات نے کم سے کم جسمانی تعامل کو مجازی میٹنگز میں تبدیل کر کے ممکن بنایا ہے۔ مزید برآں ہم فعال طور پر ان کمیونٹیز میں حصہ ڈالنے کے مواقع تلاش کرتے ہیں جن میں ہم کام کرتے ہیں اور ان ماحول کو بہتر بنانے کے لیے جو ہم سب کو برقرار رکھتے ہیں۔ ہمارے بنیادی توجہ کے شعبے تعلیم، صحت اور حفاظت، توانائی کا تحفظ، فضلہ میں کمی، اور کمیونٹی کی تعمیر ہیں جہاں ہم کمپنی کی مالی حالت کو مد نظر رکھتے ہوئے محدود وسائل کے ساتھ برداشت کر سکتے ہیں۔

## مستقبل کا نقطہ نظر

مشکل کاروباری ماحول اور گنے کی بھاری قیمت مارجن اور کیش فلو کو منفی طور پر متاثر کرتی ہے۔ تاہم گنے کی کرشنگ کا سیزن آگے بڑھنے کے ساتھ ساتھ صورتحال مزید صاف ہو جائے گی۔ بائیو فیول کے محاذ پر ہم ایف بی آر کی ایکسپورٹ فیسیلیٹیشن اسکیم کے تحت لائسنس حاصل کرنے کے عمل میں ہیں۔ یہ ہماری ڈسٹری کے کاموں کے لیے بڑے پیمانے پر مولا سز کی خریداری میں مددگار ثابت ہوگا۔ ہم رواں ماہ کے دوسرے ہفتے میں اپنا ٹیکسٹائل کاروبار چلانے کا بھی منصوبہ بنا رہے ہیں تاکہ اس یونٹ کو ریونیو میں کچھ حصہ ڈالنے کے لیے آپریٹو بنایا جاسکے۔ آنے والے موسم گرما کے ساتھ چین کی قیمت کا منظر نامہ بھی بہتر ہونے کی امید ہے۔ انتظامیہ صورتحال سے نمٹنے کی پوری کوشش کر رہی ہے اور مثبت ارادے کے ساتھ لیکویڈیٹی کی کمی پر قابو پانے کے لیے اقدامات کر رہی ہے۔

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

منجانب بورڈ

*Alwaleem*  
علی الطاف سلیم  
ڈائریکٹر

*Muhammad*  
محمد سیف اللہ  
چیف ایگزیکٹو آفیسر

06 فروری 2024ء

# ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز اپنی رپورٹ اور 31 دسمبر 2023 کو ختم ہونے والی پہلی سہ ماہی کے لئے کمپنی کے غیر مجتمع عبوری مالی بیانات پیش کرنے پر خوش ہیں۔

## مالی اور آپریشنل کارکردگی

گنے کے کرشنگ سیزن کا آغاز، جیسا کہ پنجاب حکومت نے نوٹیفائی کیا، بڑھی ہوئی امدادی قیمت 400 روپے سے ہو گیا ہے۔ کمپنی پچھلے سال اسی مدت میں 322,795 میٹرک ٹن گنے کے مقابلے 250,465 میٹرک ٹن گنے کی کرشنگ کرنے میں کامیاب رہی۔ شکر گنج کے لیے گنے کی اوسط قیمت پچھلے سال 303 روپے فی 40 کلوگرام سے بڑھ کر 403 روپے فی کلوگرام ہو گئی۔ گنے کی سپورٹ پرائس میں نمایاں اضافہ فروخت کی قیمت میں مساوی اضافے کے بغیر، مارجن کو مزید کم کرتا ہے اور اس کے نتیجے میں اس مدت میں کافی نقصان ہوا ہے۔

پہلی سہ ماہی 31 دسمبر 2023 کے دوران، کمپنی کی مجموعی فروخت سے آمدنی 2,317.3 ملین روپے (31,510.4:1QFY2022 ملین روپے) رہی اور کمپنی کا مجموعی خسارہ پچھلے سال کے اسی عرصے کے مجموعی خسارے 179 ملین روپے کے برعکس 418 ملین روپے رہا۔ ٹیکس سے پہلے کمپنی کا خسارہ پچھلی مدت کے 223 ملین روپے کے مقابلے میں 569 ملین روپے تھا۔ ٹیکس کے بعد نقصان پچھلے سال کے 186 ملین روپے کے مقابلے میں 554 ملین روپے تھا۔

## کاروباری شعبہ جات شوگر ڈویژن

مالی سال 2024 کی پہلی سہ ماہی میں شوگر ڈویژن کی آمدنی پچھلے سال کی خالص فروخت 1,107.69 ملین روپے اور انٹرسٹیٹ فروخت 147.79 ملین روپے کے مقابلے میں 1,913.83 ملین روپے اور انٹرسٹیٹ فروخت 20.10 ملین روپے رہی۔ ہمارے شوگر ڈویژن نے پچھلے سال 322,795 میٹرک ٹن گنا کرش کر کے 9.79 فیصد کی ریکوری سے 29,626 میٹرک ٹن چینی پیدا کرنے کے مقابلے میں 250,465 میٹرک ٹن گنا کرش کیا اور 9.32 فیصد کی ریکوری سے 21,046 میٹرک ٹن چینی پیدا کی۔ جیسا کہ اوپر بتایا گیا ہے خام مال کی قیمت میں اضافے کی وجہ سے اس کاروبار کو پچھلے سال کے اسی عرصے کے دوران مجموعی طور پر 17.42 فیصد نقصان کے مقابلے میں 17.13 فیصد کا مجموعی نقصان ہوا ہے۔ بوٹم لائن پچھلے سال کے اسی عرصے میں ٹیکس اور غیر مختص اخراجات سے پہلے 278.37 ملین روپے خسارے کے مقابلے میں ٹیکس اور غیر مختص اخراجات سے پہلے 406.77 ملین روپے کا خسارہ ہوا۔

## بائیو فیول ڈویژن

بائیو فیول ڈویژن کی خالص فروخت آمدنی پچھلے سال اس عرصے کے دوران 402.71 ملین روپے کے مقابلے میں 402.73 ملین روپے تھی۔ اس مدت میں پچھلے سال کے 54.88 ملین روپے مجموعی منافع کے مقابلے میں 70.50 ملین روپے مجموعی نقصان ہوا۔ بوٹم لائن پچھلے سال کے اسی عرصے میں ٹیکس اور غیر مختص اخراجات سے پہلے 27.89 ملین روپے خسارے کے مقابلے میں ٹیکس اور غیر مختص اخراجات سے پہلے 90.14 ملین روپے کا منافع ہوا۔ زیر جائزہ مدت کے دوران، اس ڈویژن نے پچھلے سال کی اسی مدت میں 1,400,000 لیٹرز پروڈکشن کے مقابلے میں 110,000 لیٹرز کی پیداوار کی۔

## ٹیکسٹائل ڈویژن

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

## غیر مجتمع مالی پوزیشن

31 دسمبر 2023 پہ پبلک سٹیٹ 30 ستمبر 2023 کے 19,023.52 ملین روپے کے مقابلے میں 19,395.88 ملین روپے پر رہی۔ مجموعی شیئر ہولڈرز فنڈ 30 ستمبر 2023 کے 10,171.60 ملین روپے کے مقابلے میں 9,623.21 ملین روپے تک کم ہو گیا۔ 30 ستمبر 2023 کی بریک اپ ویلیو 81.37 روپے کے مقابلے میں بریک اپ ویلیو 76.99 روپے تھی۔

## صحت، حفاظت، ماحول اور کارپوریٹ سماجی ذمہ داری

ایک محفوظ اور صحت مند کام کے ماحول کو یقینی بنانے کے لیے، کمپنی اپنے صحت اور حفاظت کے طریقوں کو ملک میں وبائی امراض کی مختلف اقسام کے خلاف موجودہ حالات کی ترقی کے مطابق ڈھال رہی ہے۔ کمپنی کے احاطے کے اندر سخت چیکنگ کو یقینی بنایا گیا ہے اور اقدامات میں عملے کی درجہ بندی بھی شامل ہے جو بلا تعلق کارروائیوں کے لیے دفتر میں موجود ہونا ضروری ہے، جبکہ دوسرے عملے کو جہاں بھی ضرورت ہو گھر سے کام پر



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