



SHAKARGANJ LIMITED

Corporate Briefing Session

30 September 2023

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Company Brief



Shakarganj Limited, incorporated in 1967, is listed on the Pakistan Stock Exchange with the symbol SML

The company is the market leader in several areas of business and we transform renewable crops such as sugarcane and cotton into value added products comprising of refined sugar, Biofuel and textiles

The Company has its principal manufacturing facilities at Jhang and satellite manufacturing facilities at Bhone



**Shakarganj Limited also holds a
controlling interest in
Shakarganj Food Products Limited (SFPL)**

**SFPL is a leading producer of dairy and
fruit products and has since 2006 become
a household name in Pakistan**



Corporate Identity

The registered office of the Company is situated at Executive floor, IT Tower, 73-E 1, Hali Road, Gulberg-III, Lahore

Company Registration Number: 0002546

National Tax Number: 1413603-1

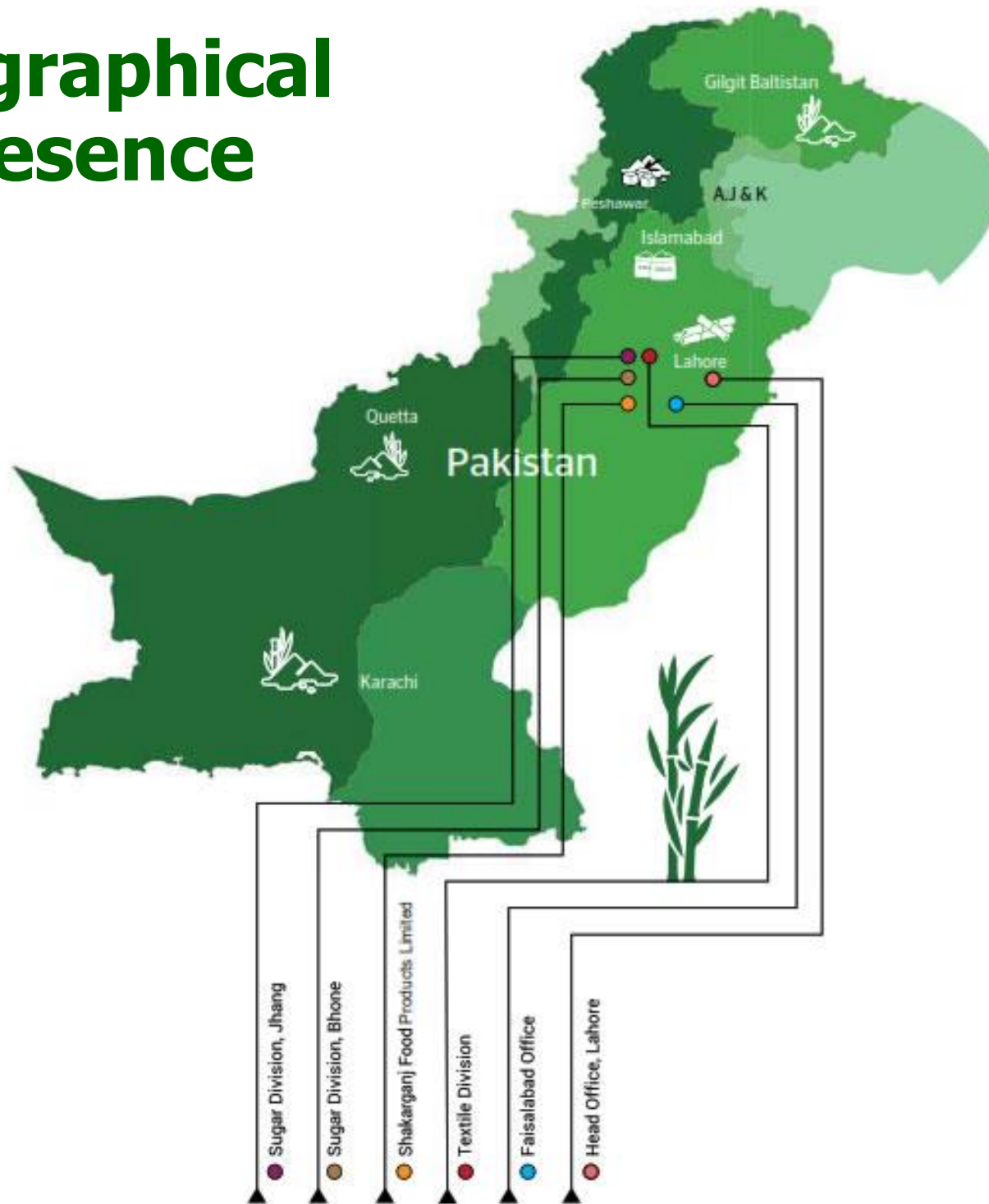
Sales Tax Number: 04-06-1703-002-46

Incorporated on: 20 September 1967

PSX Symbol: SML



Geographical Presence





Our History



Our History (1967 to 2020)

1967	1983
Incorporation as a Public Limited Company	Establishment of Shakarganj Sugar Research Institute (SSRI)
Erection of First Sugar Factory with crushing capacity 1,500 Tons of Cane per Day (TCD)	1985
1972	Erection of First Biofuel Plant with a capacity of 40,000 Litres per Day
Start of operations	
1979	1990
Listed on Stock Exchanges	Establishment of Shakarganj Sugar Research Institute Library
1982	
Crushing Capacity increased to 4,000 TCD	Establishment of Particle Board Plant with the brand name Kane Wood



Our History

1992	2001
Crushing Capacity increased to 10,000 TCD	Start of Shakarganj Social Action Programme
Establishment Sugar Cane Pathology Laboratory	2002
1999	Expansion in Biofuel Production Plant to 80,000 Litres per Day
Establishment of Bio Compost Plant	2003
2001	Amalgamation with Crescent Ujala Limited
Sponsored Jhang Art Gallery	Starting of Mobile and Stationed Free Dispensaries
Establishment of Tissue Culture Laboratory	Expansion in Biofuel Production Plant to 120,000 Litres per Day



Our History

2004	2008
Expansion in Biofuel Production Plant to 160,000 Litres per Day	Effluent Treatment Plant
Establishment of Shakarganj Farms Division	Establishment of Second Molecular Sieve Dehydration Plant with a capacity of 100,000 Litres per Day
Establishment of Shakarganj Foundation	Plantation of Artificial Limbs Programme
Establishment of Shakarganj Dairies	
2005	2013
Erection of Second Sugar Factory (Bhone) with a crushing capacity of 6,000 TCD	Establishment of Tiger Compost Plant
Erection of First Molecular Sieve Dehydration Plant with a capacity of 100,000 Litres per Day	2016
	Establishment of Joint Venture Food Grade Carbon Dioxide (CO ₂) Plant with a capacity of 50 MT per day



Awards & Accolade



Category of Award & Accolade	Year	Description	Remarks
Asian CSR Award Intel - AIM Award	2009	Asian CSR Awards	Shakarganj became the first Pakistani company to be honored with the Intel - AIM Corporate Responsibility Award at the Asian Forum on Corporate Social Responsibility held in Singapore
Best Corporate Report Awards	2001	Best Presented Annual Report Award	Shakarganj Annual Report was declared one the best in the year by a joint committee of the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants (ICMA).
	2003	Annual Best Corporate Report Award	
	2004	Annual Best Corporate Report Award	
	2005	Annual Best Corporate Report Award	
	2008	Annual Best Corporate Report Award	



Category of Award & Accolade	Year	Description	Remarks
FPCCI Export Trophy Awards	1999	Merit Certificate	This Award is presented by the Federation of Pakistan Chambers of Commerce and Industry to the Company with the highest exports in its category.
	2003	Merit Trophy Award	
	2004	Merit Trophy Award	
	2005	Best Export Performance Award	
	2007	Best Export Performance Award	
	2008	Best Export Performance Award	
	2009	Special Merit Export Award	
	2011	Best Export Performance Award	
	2012	Best Export Performance Award	
	2013	Best Export Performance Award	
	2014	Best Export Performance Award	



Category of Award & Accolade	Year	Description	Remarks
Top Company Award - Stock Exchange	1988	Top Company Award	This Award was given by the Stock Exchange as recognition of exceptional performance.
Best Taxpayer - FBR	2005	Best Taxpayer Award	The substantial contribution by Shakarganj to the national exchequer was recognized by the Federal Board of Revenue many times, and Shakarganj was awarded the Federal Board of Revenue Award for being the 'Largest Taxpayer' in its industrial sector.
	2009	Best Taxpayer Award	



Category of Award & Accolade	Year	Description	Remarks
Pakistan Sugar Mills Association (PSMA)	1983 -1984	Chairman (Centre)	Mian Altaf M. Saleem of Shakarganj Limited was remained chairman of Pakistan Sugar Mills Association (PSMA) who plays a pivotal role in promoting the development and attaining efficiency in the best interest of sugar mills and sugar allied industries.
	1986- 1987		
	1992 – 1994		
	1980 - 1982	Chairman (Punjab Zone)	
	1990 - 1992		



Financial Highlights (Seven Years)



		2023	2022	2021	2020	2019	2018	2017
Profitability & Ratios Area:								
Net Sales	(Rs 000)	9,561,824	12,325,570	9,161,763	6,409,384	6,256,738	7,404,243	11,360,157
Cost of Sales	(Rs 000)	9,884,539	11,954,857	9,751,929	7,081,059	6,283,349	7,047,093	10,704,342
Gross Profit / (Loss)	(Rs 000)	(322,715)	370,713	(590,166)	(671,675)	(26,611)	357,150	655,815
Operating Profit / (Loss)	(Rs 000)	(587,768)	(66,036)	(954,369)	(293,219)	(448,715)	92,871	324,500
Profit / (Loss) Before Tax	(Rs 000)	(863,213)	(338,138)	(1,164,266)	(1,170,655)	(774,470)	158,161	350,012
Profit / (Loss) After Tax	(Rs 000)	(546,219)	(225,302)	(1,387,910)	(997,583)	(728,411)	(14,008)	210,819
Earnings / (Loss) Before Interest, Taxes, Depreciation & Amortization (EBITDA)	(Rs 000)	424,175	1,002,529	(391,280)	(262,493)	172,169	858,121	1,054,322
Gross Profit Ratio	(%)	(3.38)	3.01	(6.44)	(10.48)	(0.43)	4.82	5.77
Net Profit to Sales	(%)	(5.71)	(1.83)	(15.15)	(15.56)	(11.64)	(0.19)	1.86
EBITDA Margin to Sales (net)	(%)	0.04	0.08	(0.04)	(0.04)	0.03	0.12	0.09
Operating Leverage Ratio	(%)	(1,208.50)	(2.89)	0.16	35.90	14.43	0.89	1.53
Return on Capital Employed	(%)	(3.65)	(0.01)	(7.91)	(9.53)	- 4.54	4.08	7.66
Liquidity Ratios Area:								
Current Assets	(Rs 000)	2,359,406	1,128,230	1,177,334	1,246,767	992,065	1,485,414	1,599,932
Current Liabilities	(Rs 000)	5,598,340	4,578,725	4,831,358	4,556,514	4,170,356	4,052,096	3,962,002
Net Current Assets / (Liabilities)	(Rs 000)	(3,238,934)	(3,450,495)	(3,654,024)	(3,309,747)	(3,178,291)	(2,566,682)	(2,362,070)
Property, Plant and Equipment	(Rs 000)	14,661,871	15,451,699	16,166,485	9,745,632	10,253,780	10,825,661	8,487,270
Total Assets	(Rs 000)	19,023,521	18,562,005	19,135,860	12,724,256	13,467,068	14,307,132	11,270,752
Current Ratio	(Times)	0.42	0.25	0.24	0.27	0.24	0.37	0.40
Quick / Acid Test Ratio	(Times)	0.12	0.15	0.09	0.12	0.08	0.09	0.10
Cash to Current Liabilities	(%)	1.13	0.67	0.04	0.18	2.01	0.70	0.13
Cash Flow from Operations to Sales	(%)	6.72	7.07	5.13	11.03	17.47	4.07	(10.87)



		2023	2022	2021	2020	2019	2018	2017
Activity / Turnover Ratios Area:								
Inventory Turnover Ratio	(Times)	10.28	31.50	18.02	10.80	7.24	6.21	13.42
No. of days in Inventory	(Days)	35.52	11.59	20.26	33.80	50.38	58.82	27.21
Debtor Turnover Ratio	(Times)	94.28	166.71	64.43	54.16	167.95	71.49	125.62
No. of Days in Receivables / Average Collection Period	(Days)	3.87	2.19	5.66	6.74	2.17	5.11	2.91
Total Assets Turnover Ratio	(Times)	0.50	0.66	0.48	0.50	0.46	0.52	1.01
Fixed Assets Turnover Ratio	(Times)	0.65	0.80	0.57	0.66	0.61	0.68	1.34
Investment / Market Ratios Area:								
Earning / (Loss) Per Share	(Rupees)	(4.37)	(1.80)	(11.10)	(7.98)	(5.83)	0.11	1.80
Dividend Yield Ratio	(%)	-	-	-	-	-	-	1.38
Dividend Payout Ratio	(%)	-	-	-	-	-	-	69.44
Dividend Cover Ratio	Times	-	-	-	-	-	-	1.44
Cash Dividend per Share	(Rupees)	-	-	-	-	-	-	1.25
Market Value Per Share at the Year End	(Rupees)	37.42	45.00	52.50	38.00	34.10	55.00	90.75
- Highest during the Year	(Rupees)	47.85	54.90	60.65	50.00	76.48	90.44	132.25
- Lowest during the Year	(Rupees)	29.00	36.50	29.70	30.17	26.25	54.15	22.50
Breakup Value Per Share Including Surplus on Revaluation of Fixed Assets	(Rupees)	81.37	84.07	89.77	54.87	63.67	69.46	49.09
Capital Structure Ratios Area:								
Shareholders' Equity (Without Surplus on revaluation of property, plant and Equipment)	(Rs 000)	80,582	251,766	(245,421)	770,716	1,601,612	1,857,468	1,416,858
Share Capital	(Rs 000)	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Financial Leverage Ratio	Times	11.14	3.88	(5.51)	2.44	1.37	1.50	1.55
Weighted Average Cost of Debt	(%)	21.13	12.24	8.60	11.42	12.39	7.84	7.63
Long Term Debt : Equity Ratio	:	2.79	0.16	-1.70	0.60	0.24	0.29	0.37
Interest Cover Ratio	(Times)	(1.38)	(0.01)	(3.23)	(1.34)	1.79	3.06	0.83



Financials Information **for the year ended 30 September 2023**



Statement of Financial Position

AS AT 30 September 2023

	2023	2022		2023	2022
(RUPEES IN THOUSAND)			(RUPEES IN THOUSAND)		
EQUITY AND LIABILITIES			ASSETS		
SHARE CAPITAL AND RESERVES			NON-CURRENT ASSETS		
Authorized share capital			Property, plant and equipment	14,661,871	15,451,699
150,000,000 (: 150,000,000)			Biological assets	28,889	30,204
Ordinary shares of Rs. 10 each	1,500,000	1,500,000	Long term investments	1,937,220	1,915,737
50,000,000 (: 50,000,000)			Long term advances and deposits	36,135	36,135
Preference shares of Rs. 10 each	500,000	500,000			
	<u>2,000,000</u>	<u>2,000,000</u>		<u>16,664,115</u>	<u>17,433,775</u>
Issued, subscribed and paid up share capital	1,250,000	1,250,000			
Reserves					
Capital reserves					
Surplus on revaluation of property, plant and equipment - net of deferred income tax	10,091,018	10,256,630			
Other capital reserves	1,628,418	1,751,879			
	11,719,436	12,008,509			
Revenue reserve - General	-	516,306			
	11,719,436	12,524,815			
Accumulated loss	(2,797,836)	(3,266,419)			
TOTAL EQUITY	<u>10,171,600</u>	<u>10,508,396</u>			
LIABILITIES					
NON-CURRENT LIABILITIES					
Long term financing	185,294	-			
Employees' retirement benefits	727,348	421,960			
Deferred income tax liability	2,340,939	3,052,924			
	<u>3,253,581</u>	<u>3,474,884</u>			
CURRENT LIABILITIES			CURRENT ASSETS		
Trade and other payables	4,791,983	3,409,852	Biological assets	1,632	2,881
Short term borrowings	672,500	935,000	Stores, spare parts and loose tools	91,429	52,018
Accrued mark-up	76,806	52,735	Stock-in-trade	1,485,204	295,242
Current portion of non-current liabilities	39,706	41,413	Trade debts	137,753	65,085
Unclaimed dividend	1,916	1,916	Loans and advances	181,080	269,946
Provision for taxation	15,429	137,809	Prepayments and other receivables	308,639	322,171
	<u>5,598,340</u>	<u>4,578,725</u>	Cash and bank balances	63,421	30,639
TOTAL LIABILITIES	<u>8,851,921</u>	<u>8,053,609</u>		<u>2,269,158</u>	<u>1,037,982</u>
CONTINGENCIES AND COMMITMENTS			Non-current assets held for sale	90,248	90,248
				<u>2,359,406</u>	<u>1,128,230</u>
TOTAL EQUITY AND LIABILITIES	<u>19,023,521</u>	<u>18,562,005</u>	TOTAL ASSETS	<u>19,023,521</u>	<u>18,562,005</u>



Financial Highlights

For the year ended 30 September 2023

Description	2023	2022	Favorable / (Unfavorable)	
			Amount (Rs. in million)	%
Sales	9,562	12,326	(2,764)	(22)
Cost of sales	(9,885)	(11,955)	2,070	17
Gross loss / (profit)	(323)	371	(693)	(187)
Admin, distribution & other expenses	(613)	(582)	(31)	(5)
Other income	348	145	203	139
Loss from operations	(588)	(66)	(522)	(790)
Finance cost	(363)	(336)	(26)	(8)
Share of profit from equity accounted investee	87	64	23	36
Loss before taxation	(863)	(338)	(525)	(155)
Taxation	317	113	204	181
Loss after taxation	(546)	(225)	(320)	(142)



Production & Cost

Description	Unit	Sep-23	Sep-22
Sugarcane Crushed	MT	1,019,181	1,347,651
Sugar Recovery	%	10.26	9.36
Sugar Produced	MT	104,540	126,112
Molasses Consumed	MT	38,072	83,959
Biofuel Produced	MT	7,947	17,258
Yarn Produced	Bags	-	-
Converted in 20/1 count	Bags	-	-
Cost of Sugarcane	Per 40 kg	307.57	254.68
Cost of Sugarcane	Per MT	7,689	6,367



Gross Profit Margin (Products Wise)

Description	Unit	Cost of Sugarcane per kg of Sugar Produced
Crop 2023	Per kg	Rs. 74.94
Crop 2022	Per kg	Rs. 68.02

Description	Unit	Net Sale Price	Cost of Goods Sold	Contribution Margin
Rupees				
Year ended September 2023				
Sugar	Per MT	72,645	76,392	(3,747)
Biofuel	Per MT	207,316	187,357	19,959
Yarn	Per Bag	*-	*-	*-
Year ended September 2022				
Sugar	Per MT	68,615	69,234	(619)
Biofuel	Per MT	167,238	134,496	32,742
Yarn	Per Bag	15,571	*-	*-

* Operations remained closed in current year.



Contribution Margin (Products Wise)

Description	Unit	Cost of Sugarcane per kg of Sugar Produced
Crop 2023	Per kg	Rs. 74.94
Crop 2022	Per kg	Rs. 68.02

Description	Unit	Net Sale Price	Cost of Production	Contribution Margin
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Year ended September 2023

Sugar	Per MT	72,645	67,243	5,402
Biofuel	Per MT	207,316	132,515	74,801
Yarn	Per Bag	-	* -	* -

Year ended September 2022

Sugar	Per MT	68,615	61,874	6,741
Biofuel	Per MT	167,238	109,723	57,515
Yarn	Per Bag	15,571	* -	* -

Note: Fixed cost has been eliminated which includes:

Sugar and Biofuel: Salaries and wages 75%, Insurance, Rent and Taxes, R&D, Depreciation.

Textile: Salaries and wages 25% Insurance, Rent and Taxes, Depreciation.

* Operations remained closed in current year.



Sales (Quantitative)

Description	Unit	Sep 2023	Sep 2022
Sugar	MT	104,431	126,316
Biofuel	MT	6,795	15,813
Yarn	Bags	-	15,287



Segment Results – Sugar and Biofuel

For the year ended 30 September 2023

Rupees in thousand

	Sugar		Biofuel	
	2023	2022	2023	2022
Revenue				
- External	7,706,461	9,369,021	1,853,328	2,650,538
- Intersegment	1,394,627	1,361,840	31,793	71,277
	9,101,088	10,730,861	1,885,121	2,721,815
Segment expenses				
Cost of Revenue				
- External	9,459,045	10,729,829	354,864	874,268
- Intersegment	33,302	79,287	1,394,627	1,329,822
	9,492,347	10,809,116	1,749,491	2,204,090
Gross (loss) / profit	(391,259)	(78,255)	135,630	517,725
- Distribution cost	(16,576)	(16,218)	(88,018)	(166,831)
- Administrative expenses	(299,989)	(265,451)	(62,130)	(67,078)
	(316,565)	(281,669)	(150,148)	(233,909)
Segment results	(707,824)	(359,924)	(14,518)	283,816
Other expenses	(88,476)	(15,546)	(18,326)	(3,943)
Operating (loss) / profit	(796,300)	(375,470)	(32,844)	279,873
Finance costs	(299,945)	(267,821)	(62,128)	(67,931)
(Loss) / profit before taxation	(1,096,245)	(643,291)	(94,972)	211,942



Segment Results – Farms, Others and Total

For the year ended 30 September 2023

Rupees in thousand

	Textile		Farms		Total	
	2023	2022	2023	2022	2023	2022
Revenue						
- External	-	259,872	2,035	46,139	9,561,824	12,325,570
- Intersegment	-	-	1,509	8,010	-	-
	-	259,872	3,544	54,149	9,561,824	12,325,570
Segment expenses						
Cost of Revenue						
- External	66,885	322,939	3,745	27,821	9,884,539	11,954,857
- Intersegment	-	-	-	32,018	-	-
	66,885	322,939	3,745	59,839	9,884,539	11,954,857
Gross (loss) / profit	(66,885)	(63,067)	(201)	(5,690)	(322,715)	370,713
- Distribution cost	(1,149)	(1,145)	-	-	(105,743)	(184,194)
- Administrative expenses	(38,169)	(44,701)	(45)	(773)	(400,333)	(378,003)
	(39,318)	(45,846)	(45)	(773)	(506,076)	(562,197)
Segment results	(106,203)	(108,913)	(246)	(6,463)	(828,791)	(191,484)
Other expenses	-	(328)	-	-	(106,802)	(19,817)
Other income	-	-	-	-	347,825	145,265
Operating loss	(106,203)	(109,241)	(246)	(6,463)	(587,768)	(66,036)
Finance costs	(697)	(546)			(362,770)	(336,298)
Share of income from equity accounted investee	-	-	-	-	87,325	64,196
Loss before taxation	(106,900)	(109,787)	(246)	(6,463)	(863,213)	(338,138)
Taxation					316,994	112,836
Loss for the year					(546,219)	(225,302)



Q & A



Thank You