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VISION, MISSION, VALUES

To gain and maintain leadership in the industries it competes in by producing the best quality products with lowest possible cost.

To give the best returns to shareholders by optimal allocation of resources to the products and markets the company competes in.

To provide the best value products and services to its customers through investment in technology, human resources, operational systems and processes.

To provide the best working environment to its employees and provide opportunities to them for enhancing their skills.

To work with its farmers, suppliers and distributors as partners 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 in its vicinity.

To be a socially responsible corporate citizen supporting education, health, environment and socio economic development of the society.

COMPANY INFORMATION

BOARD OF DIRECTORS

Mazhar Karim	Chairman
Ahsan M. Saleem	Chief Executive
Gul Nawaz	Non-Executive Director
Khalid Bashir	Non-Executive Director
Muhammad Anwar	Non-Executive Director
Muhammad Arshad	Non-Executive Director
Muhammad Asif	Non-Executive Director

AUDIT COMMITTEE

<i>Chairman</i>	Muhammad Anwar Khalid Bashir Muhammad Asif
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CHIEF FINANCIAL OFFICER	Mehboob Ali Qureshi
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COMPANY SECRETARY	Tariq Aleem
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MANAGEMENT COMMITTEES

Business Strategy Committee

Ahsan M. Saleem
Anjum M. Saleem
Dr. Wasim Azhar
Muhammad Asghar Qureshi
Pervaiz Akhter
Manzoor Hussain Malik
Shahid Hamid Mir
Ch. Shah Muhammad

Executive Committee

Ahsan M. Saleem
Anjum M. Saleem
Muhammad Asghar Qureshi

System & Technology Committee

Muhammad Awais Qureshi
Ashraf Khan Afiridi
Ch. Shah Muhammad
Mehboob Ali Qureshi
Saad Akhtar Jaffery

Investment Committee

Ahsan M. Saleem
Anjum M. Saleem

Human Resource Committee

Muhammad Asghar Qureshi
Muhammad Awais Qureshi
Ashraf Khan Afiridi
Ch. Shah Muhammad
Mehboob Ali Qureshi
Hameedullah Awan

SHAREHOLDERS' INFORMATION

Stock Exchange Listing

Shakarganj Mills Limited is a listed company and its shares are traded on all the three stock exchanges of Pakistan. Daily quotes on the company's stock can be obtained from leading newspapers. Shakarganj is listed under 'Sugar and Allied'

Public Information

Financial analysts, Stock brokers, interested investors and financial media desiring information about "Shakarganj" should contact Tariq Aleem at Company's registered Office, Lahore. Tel: +92-42-5783830 & 33 +92-42-5783827-29

Email: tariqaleem@shakarganj.com.pk

Shareholder Information

Inquiries concerning lost stock certificates, dividend payment, change of address, verification of transfer deeds and share transfers should be directed to Shareholder Services Department at the Registered Office at Lahore.

Tel: +92-42-5783830 & 33 +92-42-5783827-29

Fax: +92-42-5875916

Email: tariqaleem@shakarganj.com.pk

Products

- Ethanol
- Particle Board
- Sugar
- Yarn

Legal Advisor

Hassan & Hassan Advocates, Lahore.

Auditors

A. F. Ferguson & Co.
Chartered Accountants

Bankers

- ABN Amro Bank
- Allied Bank Limited
- Askari Commercial Bank Ltd.
- Bank Alfah Ltd.
- Crescent Commercial Bank Ltd.
- Faysal Bank Ltd.
- Meezan Bank Ltd.
- MCB Bank Ltd.

- National Bank of Pakistan Ltd.
- The Bank of Punjab
- United Bank Ltd.
- Standard Chartered Bank (Pakistan) Ltd.
- Saudi Pak Commercial Bank Ltd.

Works

Principal Facility
Management House, Toba Road
Jhang, Pakistan.
Tel: +92-47-7629337-41
Tlx: 43471CJP PK Fax: +92-47-7620272
E-mail: ssugar@shakarganj.com.pk

Satellite Facility

63 K.M. Jhang Sargodha Road, Bhoone.
Tel: +92-47-7223016, 223075
Fax: +92-47-7223017

Website

www.shakarganj.com.pk

Registered Office

Crescent Standard Tower,
10-B Block E 2, Gulberg III, Lahore.
Pakistan
Tel: +92-42-5783827-29
Fax: +92-42-5875916

Principal Office

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Tel: +92-42-5783801-2
Fax: +92-42-5870357

Karachi Office

Sidco Avenue Centre, 264 R.A. Lines, Karachi.
Tel: +92-21-5688149

Faisalabad Office

Nishatabad, New Lahore Road
Faisalabad
Tel: +92-41-753037

CHIEF EXECUTIVE REVIEW

Dear Shakarganj Shareholder

I am pleased to present the financial statements of your company for the six months ended 31st March 2008. These were subject to a limited scope review by the auditors A. F Ferguson & Co. and their report is attached to the financial statements.

The following paragraphs give the review of operating performance of divisions of the company.

Sugar Division

In crushing season 2007-08, there was a bumper sugar cane crop with abundant availability of cane. The sugar industry as a whole, crushed 52,732,710 tons of cane compared to 40,456,177 tons in the last year. Sugar production increased to 4,698,913 tons, compared to 3,517,513 tons last year. This represents 33.85 percent increase in overall sugar production.

In line with increase in cane crushing and sugar production in the industry, Shakarganj also crushed 2.254 million tons of cane to produce 177,092 tons of sugar. In the last season 1.588 million tons of cane was crushed to produce 128,170 tons of sugar.

However, despite the bumper crop of sugar cane the weather had a major adverse effect on the cane quality. A severe and sustained cold spell with sub zero temperatures and continuous frost, directly affected the sucrose contents of cane. This resulted in very poor average recovery in the Shakarganj footprint area, which dropped to 7.85 percent from 8.04 percent last year.

In the previous year, government had imported large quantities of sugar for intervention the market and these stocks remained largely unsold. Expectations of higher production volumes and carry forward stocks, kept the sugar market depressed from the beginning of the season and this trend continued for the first six months of fiscal 2008.

Sales of the sugar division remained at Rs. 2,191 million compared to Rs. 2,421 million in the corresponding period of the last year. Gross profit margin for the period ended reduced to 1.12% as compared to 8.79% in last year was due to depress sugar sale market and high cost of inputs coupled with lesser recovery. Our sugar cane crushing started on 25 October 2007, the production of sugar up to 31st march 2008 was 168,273 M. tones at a recovery rate of 7.87 % against 112,012 M. tones at a recovery rate of 8.02% in the last year 2007. Operating expenses were Rs. 83.102 million in 1st half of the year as compared 78.703 million in the corresponding period of last year. These expenses increased due to higher rate of inflation.

All the foregoing factors resulted in an operating loss of Rs. 58.472 million in the 1st half of the year compared to operating profit of Rs. 134.64 million in the corresponding period of last year.

Ethanol and Alternate Energy Business

Sales revenue of Ethanol and Alternate Energy Division stood at Rs. 555.567 million compared to Rs. 286.260 million in the corresponding period of last year. Gross profit

margin increased from 23.60% in the first half of the last year to 26.32 % in the current year. The increase in margin is because of production efficiency and better quality of molasses at lower costs.

The ethanol division produced 36.964 million liters in 1st half of year 2008 as compared to 12.199 million liters in the corresponding period of last year. Current production includes 9.093 million liters from Bhoone facility, which operated for the first time in this season.

Better logistic management of distillery operation resulted in timely supply of high quality molasses and uninterrupted power supply. This resulted in continuous operation of distilleries and much higher production of ethanol.

Operating expenses stood at Rs. 73.564 million during the 1st half of year 2008 compared to Rs. 39.605 million in the corresponding period of last year. The increase in operating expenses was due to increase in level of production activities and exports. The operating profit increased from Rs. 27.961 million to Rs. 72.682 million in the 1st half of the current year.

Textile Division

The textile industry in Pakistan has been under strain during the last year. Spiraling cost of inputs including cotton, also faces the difficulties such as power shortage, increase in cotton prices and inflationary effect on the other input costs.

The textile division faced same pressures felt by the industry as a whole. Sales Revenue of the textile division stood at Rs. 431.183 million in the 1st half-year compared to Rs. 366.436 million in the corresponding period of 2007. Due to unusually high input costs and weak demand there is a gross loss of Rs. 14.377 million in the period under review compared to the gross profit of Rs. 16.671 million in the last period. Power shortage has seriously hampered the production capacity of this division and this is a major contributory factor in the poor financial performance of this division. Yarn production was 73,852 bags against 71,997 bags in the corresponding period of the last year. Overall production targets could not be achieved because of frequent shutdown in electricity supply from wapda..

Operating expenses stood at Rs. 19.339 million for the current period compared to 13.760 million. This increase is due to increase in minimum wages and inflationary effect on inputs. Operating loss was Rs.33.716 million compared to an operating profit of Rs. 2.940 million the corresponding period.

Building Material Division

The performance of building material division has tremendously improved due to adequate availability of bagasse from sugar mills operation and realignment of plant operations and logistics. Building material division was able to start its production with the start of cane crushing season and remained in operation till end of May 2008.

Sales revenue of the building material division stood at Rs. 27.548 million as compared to 5.59 million in the corresponding period of last year. Gross profit margin increased from 18.26% to 32.61% in the 1st half of the current year. Building material division produced 4,984 cubic meter of particleboard in the 1st half of the year under review as compared to 919 cubic meters in the 1st half of the year 2007.

Investments

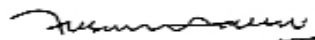
During the first half of the fiscal year 2008, the stock market remained volatile seeing KSE-100 index at high of 15274.53 and a low of 13082.01, closing at 15,125.29. Careful management of the company's portfolio resulted in a capital gain of Rs. 5.116 million. Dividend income was Rs. 5.465 million.

Total Investment appearing in long term and short term classification aggregated to Rs. 1,051.718 million and Rs. 1,203.740 million on 31 march 2008 as compared to Rs. 734.968 million and Rs. 1,071.929 million respectively, as at 30 September 2007.

Future Outlook

Although the results for the first six months show a less than satisfactory financial performance, these must be viewed in the context of the overall business environment and political turmoil during the period. However subsequent to the close of period under review, there are positive indications for the major segments of our business. Sugar market has stabilized and there is a significant price increase that will result in additional margins on the sugar stocks. Ethanol prices are also constantly improving and we expect to see further improvement in this already profitable segment. Re-profiling of our borrowings would result in lower financial costs. Shakarganj has successfully brought into operation a pioneering power project run on biogas. Supply of 3.5 megawatts electricity to Wapda has already started. This will soon increase to 7.5 megawatts. This will generate additional revenues for the company. The management is implementing a major plan to minimize costs, improve efficiencies and optimize the current capacities. We expect to see positive impact of these measures in the future periods. Market conditions for textiles has improved, however the severe power shortage is a major impediment in taking benefit of this improved position. We are implementing redistribution plan for internally generated power, which may somewhat improve the situation for textile division. With these measures we hope that the position at the year-end will substantially improve and in the subsequent periods these will have further positive impact on company's financial performance.

On behalf of the Board



Ahsan M. Saleem
Chief Executive Officer

May 29, 2008

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of Shakarganj Mills Limited as at March 31, 2008 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity for the half year then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended March 31, 2007 and 2008 have not been reviewed, as we are required to review only the cumulative figures for the half year ended March 31, 2008.

Scope of Review

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

Conclusion

Based on our review nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half year ended March 31, 2008 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Chartered Accountants

Lahore

Date: May 29, 2008

CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2008 (UN-AUDITED)

	Note	March 31 2008 (Un-audited)	September 30 2007 (Audited)
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
80,000,000 (September 30, 2007: 80,000,000) ordinary shares of Rs 10 each		800,000	800,000
50,000,000 (September 30, 2007: 50,000,000) preference shares of Rs 10 each		500,000	500,000
		1,300,000	1,300,000
Issued, subscribed and paid up capital 69,523,797 (September 30, 2007: 57,936,498) ordinary shares of Rs 10 each		695,238	579,365
Reserves		1,389,365	1,301,388
Unappropriated profit		205,697	704,393
		2,290,300	2,585,146
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		1,840,215	1,840,226
NON-CURRENT LIABILITIES			
Long term finances	5	1,339,542	1,782,304
Long term advances		-	736
Liabilities against assets subject to finance lease		348,030	148,195
Retirement benefits		8,270	5,158
Deferred income		2,354	3,585
		1,698,196	1,939,978
CURRENT LIABILITIES			
Current portion of long term liabilities		1,230,413	559,678
Short term borrowings - secured		4,771,468	3,344,249
Trade and other payables		2,024,542	447,383
Accrued finance cost		220,210	193,853
		8,246,633	4,545,163
CONTINGENCIES AND COMMITMENTS	6	14,075,344	10,910,513

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.


	Note	March 31 2008 (Un-audited)	September 30 2007 (Audited)
(Rupees in thousand)			
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	7	6,158,228	5,982,153
Intangible assets		1,190	1,360
Assets subject to finance lease		259,180	222,720
Capital work in progress		1,080,643	793,584
Biological assets		52,455	29,682
Investments - related parties	8	1,051,718	734,968
Long term advances, loans, deposits and prepayments		286,963	109,638
		8,890,377	7,874,105
CURRENT ASSETS			
Biological assets		29,793	89,713
Stores, spares and loose tools		120,982	91,218
Stock-in-trade		3,150,194	1,069,930
Trade debts		152,874	71,073
Investments	9	1,203,740	1,071,929
Loans, advances, deposits, prepayments and other receivables		272,521	149,304
Cash and bank balances		254,863	493,241
		5,184,967	3,036,408
		14,075,344	10,910,513




CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE QUARTER AND HALF YEAR ENDED MARCH 31, 2008 (UN-AUDITED)

	Note	Quarter ended		Half year ended	
		March	March	March	March
		31, 2008	31, 2007	31, 2008	31, 2007
(Rupees in thousand)					
Sales	10.1	1,795,420	1,495,763	2,822,579	2,872,987
Cost of sales	10.2	(1,796,553)	(1,346,540)	(2,630,284)	(2,574,686)
Gross (loss) / profit		(1,133)	149,223	192,295	298,301
Administrative expenses		(57,987)	(48,540)	(107,636)	(91,899)
Distribution and selling costs		(44,615)	(28,391)	(69,811)	(40,778)
Other operating expenses		(99,658)	(57,060)	(106,276)	(67,297)
Other operating income		29,854	352,060	45,566	468,504
(Loss) / profit from operations		(173,539)	367,292	(45,862)	566,831
Finance cost		(202,164)	(297,329)	(380,209)	(462,920)
(Loss) / profit before taxation		(375,703)	69,963	(426,071)	103,911
Taxation		(9,298)	(19,789)	(14,700)	(28,150)
(Loss) / profit after taxation		(385,001)	50,174	(440,771)	75,761
Earnings per share - basic	11 Rupees	(5.54)	0.72	(6.34)	1.09

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.



 Chief Executive



 Chairman

**CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED MARCH 31, 2008 (UN-AUDITED)**

	March 31 2008	March 31 2007
(Rupees in thousand)		
Cash flows from operating activities		
Cash (used in) / generated from operations	12 (558,542)	652,163
Finance cost paid	(353,852)	(472,961)
Taxes paid	(10,866)	(22,377)
Retirement benefits paid	(2,089)	(2,836)
Net (increase) / decrease in long term advances, loans, deposits and prepayments	(177,325)	59,766
Net cash (used in) / generated from operating activities	(1,102,674)	213,755
Cash flows from investing activities		
Fixed capital expenditure	(378,137)	(117,741)
Investment made	(422,861)	(385,167)
Proceeds from sale of investments	180,474	594,522
Dividend received	6,084	29,072
Sale proceeds from sale of property, plant and equipment	1,001	5,126
Net cash (used in) / generated from investing activities	(613,439)	125,812
Cash flows from financing activities		
Proceeds from long term finances	403,000	230,400
Repayment of long term finances	(232,539)	(290,037)
Sales proceeds from sale and lease back transactions	-	7,679
Long term advances - net	-	5,013
Net increase / (decrease) in short term borrowings - secured	1,427,219	(65,366)
Finance lease liabilities - net	(62,009)	(17,645)
Dividend paid	(57,936)	-
Net cash generated from / (used in) financing activities	1,477,735	(129,956)
Net (decrease) / increase in cash and cash equivalents	(238,378)	209,611
Cash and cash equivalents at the beginning of the period	493,241	190,335
Cash and cash equivalents at the end of the period	254,863	399,946

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED MARCH 31, 2008 (UN-AUDITED)


(Rupees in thousand)

	Reserves										Un-Appropriated Profit	Total	
	Capital			Reserves				Revenue		Total			
	Share Capital	Reserve for bonus shares	Share premium	Fair Value reserve	Difference of capital under scheme of arrangement of merger	Sub - Total	General	Dividend Equalization	Equity Investment Market value equalization				Sub - Total
Balance as on September 30, 2006	579,365	-	243,282	1,662,617 (372,051)	155,930	2,061,829 (372,051)	526,479	22,700	83,000	632,179	2,694,008 (372,051)	83,189	3,356,662 (372,051)
Fair value gain during the period	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	13	13
Balance as on March 31, 2007	579,365	-	243,282	1,290,566	155,930	1,689,778	526,479	22,700	83,000	632,179	2,321,957	158,963	3,060,285
Balance as on September 30, 2007	579,365	-	243,282	269,997	155,930	669,209	526,479	22,700	83,000	632,179	1,301,388	704,393	2,585,146
Fair value gain during the period	-	-	-	203,859	-	203,859	-	-	-	-	-	-	203,859
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to profit and loss account on disposal of investment	-	-	-	1,434	-	1,434	-	-	-	-	-	-	1,434
Permanent diminution adjusted on derecognition	-	-	-	(1,443)	-	(1,443)	-	-	-	-	-	-	(1,443)
Transfers from general reserve for issue of bonus shares	-	115,873	-	-	-	115,873	(115,873)	-	-	(115,873)	-	-	-
Final dividend for the year ended September 30, 2007 - Rs. 1 per share	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonus shares issued during the period	-	115,873	-	-	-	-	-	-	-	-	-	-	-
Loss for the period	-	-	-	-	-	-	-	-	-	-	-	-	(57,936)
Balance as on March 31, 2008	695,238	-	243,282	473,847	155,930	873,059	410,606	22,700	83,000	516,306	1,389,365	205,697	2,290,300

The annexed notes 1 to 16 form an integral part of these financial statements.



Chief Executive



Chairman

**NOTES TO AND FORMING PART OF THE FINANCIAL INFORMATION
FOR THE QUARTER AND HALF YEAR ENDED MARCH 31, 2008 (UN-AUDITED)**

1. The company and its activities

Shakarganj Mills Limited (the company) was incorporated in Pakistan on September 20, 1967 under the Companies Act, 1913 (now Companies Ordinance, 1984). Shares of the company are quoted on the stock exchanges in Pakistan. The principal activity of the company is to manufacture, purchase and sale of sugar, ethanol, building materials and yarn.

2. Statement of compliance

This condensed interim financial information is un-audited and is being submitted to the members as required by section 245 of the Companies Ordinance, 1984. The condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 'Interim Financial Reporting' and have been reviewed by the auditors as required by the Code of Corporate Governance.

3. Significant accounting policies

The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the company for the year ended September 30, 2007.

4. The provision for taxation for the half year ended March 31, 2008 has been made on an estimated basis.

	March 31	September 30
	2008	2007
	(Rupees in thousand)	

5. Long term finances

Opening balance	2,245,822	1,966,387
Add: Disbursements during the period	403,000	566,820
	<hr/> 2,648,822	<hr/> 2,533,207
Less: Repayments during the period	(232,539)	(287,385)
	<hr/> 2,416,283	<hr/> 2,245,822
Less: Current portion shown under current liabilities	(1,076,741)	(463,518)
	<hr/> 1,339,542	<hr/> 1,782,304
	<hr/> <hr/>	<hr/> <hr/>

6. Contingencies & Commitments

6.1 Contingencies:

The company has issued following guarantees:

- (i) Bank guarantee of Rs 86.50 million (September 2007: Rs 86.50 million) in favour of Sui Northern Gas Pipelines Limited to indemnify against default in gas bills.
- (ii) Bank guarantee in favour of Government of Pakistan through Collector of Sales Tax, LTU against Sales tax refund claim amounting to Rs 9.552 million (September 2007: Rs 1.352) million.
- (iii) Cross corporate guarantee in favour of Allied Bank Limited to secure long term finance facility availed by the company's subsidiary, Shakarganj Food Products Limited of Rs 467 million (September 2007: Rs 467 million).
- (iv) The company has issued a post dated cheque in favour of the Collector of Customs against custom duty clearance in respect of import of plant and machinery amounting to Rs 4.53 million (September 2007: Rs 4.53) million.
- (v) Claims not acknowledged as debts Rs 6.319 million (September 2007: 6.319 million).

6.2 Commitments

The company has the following commitments in respect of:

- (i) Letters of credit other than capital expenditure Rs 72.734 million (September 2007: Rs 2.867 million).
- (ii) Contracts for capital expenditure amounting to Rs 108.849 million (September 2007: Rs 387.927 million).
- (iii) Contracts for acquisition of intangible (computer software) amounting to Rs 20 million (September 2007: Rs 20 million).

	Note	March 31 2008 (Rupees in thousand)	September 30 2007
7. Property, plant and equipment			
Opening book value		5,982,153	4,168,831
Add: Additions during the period	7.1	350,695	365,944
Add: Revaluations during the period		-	1,837,094
		6,332,848	6,371,869
Less: Disposals during the period (at book value)		476	10,062
Depreciation charged during the period		174,144	362,753
Impairment charged during the period		-	16,901
		174,620	389,716
Closing book value		6,158,228	5,982,153
7.1 Addition during the period			
Land		17,051	40,284
Building on freehold land		11,186	136,455
Plant and machinery		309,071	130,909
Tools and equipment		1,104	34,449
Laboratory equipment		107	311
Water, electric and weighbridge equipments		1,605	4,803
Furniture and fixtures		1,284	1,621
Office equipment		1,036	1,476
Vehicles		8,175	15,259
Library books		76	377
		350,695	365,944
8. Long term investment - related parties			
Available for sale	8.1	1,051,718	193,034
Advance against purchase of shares in subsidiary company Shakarganj Food Products Limited		-	541,934
		1,051,718	734,968

	Note	March 31 2008 (Rupees in thousand)	September 30 2007
8.1 Available for sale			
At cost:			
Subsidiary company		575,546	100
Associated companies		313,286	69,529
Others		2,200	2,200
		891,032	71,829
Add: Cumulative fair value gain		165,886	126,405
Less: Cumulative impairment losses recognized		(5,200)	(5,200)
Fair value gain		160,686	121,205
		1,051,718	193,034
8.2 The company during the period acquired 3.040 million and 6.750 million shares in Safeway Fund Limited (SFL) and Asian Capital Management Limited (ACML) for Rs 125.000 million and Rs 118.800 million respectively. Consequent to this acquisition the company holds 73.69% and 75.00% of equity of SFL and ACML respectively. As SML has acquired control over SFL and ACML by virtue of this investment, consequently in the company's consolidated financial statements SFL and ACML are being consolidated as subsidiaries of the company.			
9. Short term investments			
Available for sale	9.1	1,165,071	1,000,970
Held for trading		38,669	70,959
		1,203,740	1,071,929
9.1 Available for sale			
At cost:			
Subsidiary company		290,792	290,792
Associated companies		334,814	334,814
Others		265,695	267,406
		891,301	893,012
Add: Cumulative fair value gain		307,961	143,592
Less: Cumulative impairment losses recognized	9.2	(34,191)	(35,634)
Fair value gain		273,770	107,958
		1,165,071	1,000,970
9.2 Impairment losses			
Opening balance		35,634	54,171
Add: transferred from long term investments		-	34,191
Add: impairment loss recognized during the period		-	52,892
Less: impairment loss adjusted upon derecognition of investments		(1,443)	(105,620)
Closing balance		34,191	35,634

11. Earnings per share

There is no dilution of the basic earnings per share of the company as the effect of company's commitment to convert 1,000 preference shares into 167 ordinary shares of Rs 10 each is anti-dilutive.

Half year ended	
March 31	September 30
2008	2007
(Rupees in thousand)	

12. Cash generated from operations

Profit before taxation	(426,071)	103,911
Adjustments for:		
Depreciation in / amortization on:		
- Property, plant and equipment	174,144	171,222
- Assets subject to finance lease	22,543	13,015
- Intangible assets	170	-
- Deferred income	(1,231)	(1,278)
Gain on sale of property, plant and equipment	(525)	(3,013)
Impairment losses of investment	2,792	5,123
Gain on sale of investments	(5,116)	(368,275)
Unrealized loss on investments held for trading	-	(13,492)
Retirement benefits accrued	5,201	3,769
Dividend income	(5,465)	(31,404)
Fair value loss on recognition of biological assets	38,338	29,672
Finance cost	380,209	462,920
	<u>611,060</u>	<u>268,259</u>
Profit before working capital changes	184,989	372,170
Effect on cash flow due to working capital changes:		
(Increase) in stores and spares	(29,764)	(8,543)
(Increase) in stock in trade	(2,080,264)	(541,988)
(Increase) in trade debts	(81,801)	(24,895)
(Increase) / decrease in biological assets	(1,191)	17,755
(Increase) / decrease in loans, advances, deposits, prepayments and other receivables	(127,670)	164,262
Increase in trade and other payables	1,577,159	673,402
	<u>(743,531)</u>	<u>279,993</u>
	<u>(558,542)</u>	<u>652,163</u>

Half year ended	
March 31 2008	September 30 2007

13. Transactions with related parties

	March 31 2008	September 30 2007
Subscription to right issue made by subsidiary company	575,446	-
Interest bearing advances extended to subsidiary company	178,171	-
Mark up charged to subsidiary company	9,809	-
Allocation of expenses from subsidiary company	177	-
Dividend received	2,564	2,332
Purchase of goods and services	77,323	46,004
Sale of goods	3,483	30,364
Sale of property, plant and equipment	-	2,836
Sale of other goods	-	2,763
Share of common expenses	-	830
Expenses incurred on behalf of the company	2,524	73
Key management personnel compensation	17,355	12,252
Expense in respect of retirement benefit plans	5,201	4,090

14. Date of authorisation for issue

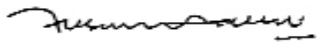
This condensed interim financial information was authorised for issue on May 29, 2008 by the Board of Directors of the company.

15. Subsequent events

Subsequent to March 31, 2008, a consortium of investors comprising KASB Capital Limited (KASB) and AKD Securities Limited (AKD), through an agreement dated April 12, 2008 with the company, Crescent Steel and Allied Products Limited (CSAPL) and Shakarganj Foods Product Limited (SFPL), have agreed to subscribe to the share capital of SFPL, a subsidiary of the company, to the extent of Rs 777 million. Consequent to this, the company's shareholding in SFPL will reduce from 90% to approximately 44%.

16. Corresponding figures

Previous period's figures have been rearranged, wherever necessary, for the purposes of comparison. However, no significant re-arrangements have been made.



 Chief Executive



 Chairman

**CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2008**

**CONSOLIDATED INTERIM BALANCE SHEET
AS AT MARCH 31, 2008 (UN-AUDITED)**

	Note	March 31 2008 (Rupees in thousand)	September 30 2007
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
80,000,000 (September 30, 2007: 80,000,000) ordinary shares of Rs 10 each		800,000	800,000
50,000,000 (September 30, 2007: 50,000,000) preference shares of Rs 10 each		500,000	500,000
		1,300,000	1,300,000
Issued, subscribed and paid up capital			
69,523,797 (September 30, 2007: 57,936,498) ordinary shares of Rs 10 each		695,238	579,365
Share deposit money		100,000	60,000
Reserves		1,066,309	1,017,544
Unappropriated profit		104,457	730,900
		1,966,004	2,387,809
MINORITY INTEREST		51,828	-
		2,017,832	2,387,809
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		1,840,215	1,840,226
NON-CURRENT LIABILITIES			
Long term finances	5	1,569,716	2,053,533
Long term advances		-	736
Liabilities against assets subject to finance lease		351,930	150,636
Retirement benefits		14,312	9,770
Deferred income		2,354	3,585
Deferred taxation		9,500	9,500
		1,947,812	2,227,760
CURRENT LIABILITIES			
Current portion of long term liabilities		1,353,488	682,251
Short term borrowings - secured		4,864,468	3,511,765
Trade and other payables		2,392,817	600,218
Accrued finance cost		242,554	218,875
		8,853,327	5,013,109
CONTINGENCIES AND COMMITMENTS	6	14,659,186	11,468,904

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

Note	March 31 2008	September 30 2007
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(Rupees in thousand)

ASSETS

NON CURRENT ASSETS

Property, plant and equipment	7	7,155,073	6,793,062
Intangible assets		202,767	85,428
Assets subject to finance lease		264,010	225,198
Capital work in progress		1,094,846	848,134
Biological assets		52,455	29,682
Investments - related parties	8	312,277	193,273
Long term advances, loans, deposits and prepayments		111,808	114,015
		9,193,236	8,288,792

CURRENT ASSETS

Biological assets		29,793	89,713
Stores, spares and loose tools		130,221	106,558
Stock-in-trade		3,259,370	1,125,704
Trade debts		167,410	85,107
Investments	9	1,245,179	1,071,929
Loans, advances, deposits, prepayments and other receivables		343,883	190,997
Cash and bank balances		290,094	510,104
		5,465,950	3,180,112
		14,659,186	11,468,904



Chief Executive




Chairman

CONSOLIDATED INTERIM PROFIT AND LOSS ACCOUNT FOR THE QUARTER AND HALF YEAR ENDED MARCH 31, 2008 (UN-AUDITED)

	Note	Quarter ended		Half year ended	
		March	March	March	March
		31, 2008	31, 2007	31, 2008	31, 2007
(Rupees in thousand)					
Sales	10.1	2,076,716	1,744,436	3,385,761	3,413,231
Cost of sales	10.2	(2,072,161)	(1,580,037)	(3,179,431)	(3,074,309)
Gross (loss) / profit		4,555	164,399	206,330	338,922
Administrative expenses		(63,067)	(53,267)	(116,806)	(100,387)
Distribution and selling costs		(99,326)	(66,452)	(188,727)	(130,931)
Other operating expenses		(114,319)	(64,117)	(126,181)	(77,736)
Other operating income		16,003	352,331	31,963	468,927
(Loss) / profit from operations		(256,154)	332,894	(193,421)	498,795
Finance cost		(215,732)	(315,819)	(407,405)	(493,814)
Income from associated companies		(13,735)	2,269	2,761	2,269
Gain on disposal of subsidiary		-	-	38,324	-
(Loss) / profit before taxation		(485,621)	19,344	(559,741)	7,250
Taxation		(10,072)	(28,818)	(17,672)	(38,534)
(Loss) / profit after taxation		(495,693)	(9,474)	(577,413)	(31,284)
Attributable to:					
Equity holders of the parent		(487,461)	-	(568,518)	-
Minority Interest		(8,232)	-	(8,895)	-
		(495,693)	-	(577,413)	-
Earnings per share - basic	11 Rupees	(7.01)	(0.45)	(8.18)	(0.45)

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.


Chief Executive


Chairman

CONSOLIDATED INTERIM CASH FLOW STATEMENT FOR THE HALF YEAR ENDED MARCH 31, 2008 (UN-AUDITED)

		Half year ended	
		March 31 2008	March 31 2007
		(Rupees in thousand)	
Cash flows from operating activities			
	Cash (used) in / generated from operations	12	
	Finance cost paid	(569,148)	617,025
	Taxes paid	(381,364)	(499,295)
	Retirement benefits paid	(12,306)	(22,918)
	Net (increase) / decrease in long term advances, loans, deposits and prepayments	(2,527)	(2,836)
		4,055	157
	Net cash (used) in / generated from operating activities	(961,290)	92,133
Cash flows from investing activities			
	Fixed capital expenditure	(541,976)	(171,870)
	Investment made	(148,563)	(279,259)
	Acquisition of subsidiaries , net of cash acquired	(215,635)	-
	Proceeds from sale of investments	180,474	594,522
	Dividend received	6,084	29,072
	Sale proceeds from sale of property, plant and equipment	1,867	5,126
	Net cash (used) in / generated from investing activities	(717,749)	177,591
Cash flows from financing activities			
	Proceeds from long term finances	403,000	230,400
	Shares Deposit money received	100,000	50,000
	Repayment of long term finances	(276,039)	(298,537)
	Sales proceeds from sale and lease back transactions	-	7,679
	Long term advances - net	-	5,013
	Net increase / (decrease) in short term borrowings - secured	1,352,703	(29,527)
	Finance lease liabilities - net	(62,699)	(17,645)
	Dividend paid	(57,936)	-
	Net cash generated from / (used) in financing activities	1,459,029	(52,617)
	Net (decrease) / increase in cash and cash equivalents	(220,010)	217,107
	Cash and cash equivalents at the beginning of the period	510,104	193,230
	Cash and cash equivalents at the end of the period	290,094	410,337

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

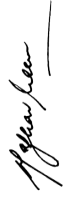
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED MARCH 31, 2008 (UN-AUDITED)

(Rupees in thousand)

	Attributable to equity holders of the parent											Minority Interest	Total Equity		
	Capital Reserves					Revenue Reserves					Un-appropriated profit			Total	
	Share capital	Share deposit money	Reserve for issuance of bonus share	Share premium	Share in capital reserves of associates	Fair value reserve	Difference of capital under scheme of arrangement of merger	Sub-total	General	Dividend equalization					Equity investment market value equalization
579,365	-	-	243,282	10,205	1,587,879	155,930	1,987,396	83,000	632,179	2,629,575	255,259	3,464,199	-	3,464,199	
Share deposit money received during the year	50,000	-	-	-	-	-	-	-	-	-	-	50,000	-	50,000	
Fair value loss during the period	-	-	-	-	(325,999)	-	-	-	-	-	-	(325,999)	-	(325,999)	
Share in capital reserves of associates	-	-	-	58,751	-	-	58,751	-	-	-	-	58,751	-	58,751	
Transfer from surplus on revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Loss for the period	-	-	-	-	-	-	-	-	-	-	13	13	-	13	
Balance as on December 31, 2007	579,365	50,000	-	243,282	68,956	1,261,980	155,930	1,730,148	526,479	22,700	83,000	2,362,327	223,988	3,215,680	
Share deposit money received during the year	-	10,000	-	-	-	-	-	-	-	-	-	10,000	-	10,000	
Fair value gain during the year	-	-	-	-	40,420	-	-	40,420	-	-	-	40,420	-	40,420	
Transferred to profit and loss account on derecognition of shares	-	-	-	-	(1,477,298)	-	(1,477,298)	-	-	-	-	(1,477,298)	-	(1,477,298)	
Impairment loss transferred to profit and loss account	-	-	-	-	52,892	-	52,892	-	-	-	-	52,892	-	52,892	
Share in capital reserves of associates	-	-	-	-	39,203	-	39,203	-	-	-	-	39,203	-	39,203	
Transfer from surplus on revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Profit for the year	-	-	-	-	-	-	-	-	-	-	19	19	-	19	
Balance as on September 30, 2007	579,365	60,000	-	243,282	108,159	(122,006)	155,930	385,365	526,479	22,700	83,000	632,179	1,017,544	2,387,809	
Final dividend for the year ended September 2007	-	-	-	-	-	-	-	-	-	-	-	-	730,900	2,387,809	
Reserve for issuance of bonus shares	-	-	115,873	-	-	-	-	-	-	-	-	(115,873)	(57,936)	(57,936)	
Bonus shares issued during the period	115,873	-	(115,873)	-	-	115,873	(115,873)	-	-	-	-	-	-	-	
Issuance of share against share deposit money	-	(60,000)	-	-	-	-	-	-	-	-	-	-	(115,873)	-	
Minority interest at date of acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share deposit money received during the period	-	100,000	-	-	-	-	-	-	-	-	-	-	-	21,676	
Share in capital reserve of associate	-	-	-	-	(3,332)	-	(3,332)	-	-	-	-	-	-	39,047	
Fair value gain during the period	-	-	-	-	167,970	-	167,970	-	-	-	-	-	-	100,000	
Transfer from surplus on revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,332)	
Loss for the period	-	-	-	-	-	-	-	-	-	-	-	-	11	11	
Balance as on March 31, 2008	695,238	100,000	-	243,282	104,827	45,964	155,930	550,003	410,606	22,700	83,000	516,306	1,066,309	1,966,004	
														51,828	2,017,832

The annexed notes 1 to 17 form an integral part of these financial statements.


Chief Executive


Chairman

NOTES TO THE CONSOLIDATED FINAICAL STATEMENTS FOR THE QUARTER ENDED DECEMBER 31, 2007 (UN-AUDITED)

1. The company and its activities

Shakarganj Mills Limited (the parent company) and its subsidiaries, Shakarganj Food Product Limited (SFPL), Safeway Fund Limited (SFL), Asian Capital Management Limited (ACML) (together, "the group") are engaged in the following business.

- manufacture, purchase and sale of sugar, ethanol, building material and yarn through the holding company, Shakarganj Mills Limited.
- manufacture and sale of juices, dairy product and other allied product through the subsidiary company, Shakarganj Food Product Limited (formally A.M. Fruit Products (Private) Limited).
- rendering investment advisory services of mutual fund through the subsidiary companies, Safeway Fund Limited and Asian Capital Management Limited.

2. Basis of preparation of financial statements

These financial statements are unaudited and are being submitted to the shareholders as required under section 245 of companies ordinance, 1984. These have been prepared in accordance with the International Accounting Standards 34 "Interim Financial Reporting" as applicable in Pakistan as notified by the Securities and Exchange Commission of Pakistan.

3. Significant accounting policies

Accounting policies for the preparation of these financial statements are the same as those applied in the preparation of the preceding annual published financial statements of the company for the year ended September 30, 2007.

4. The provision for taxation for the half year ended March 31, 2008 has been made on an estimated basis.

Consolidated information includes financial results of Shakarganj Food Product Limited, Safeway Fund Limited and Asian Capital Management Limited.

	March 31 2008	September 30 2007
	(Rupees in thousand)	
5. Long term finances		
Opening balance	2,639,051	2,370,831
Add: Disbursements during the period	403,000	773,977
Add: Amortization of Difference amount between initial & maturity amount	2,445	(11,215)
	3,044,496	3,133,593
Less: Repayments during the period	(276,039)	(494,542)
	2,768,457	2,639,051
Less: Current portion shown under current liabilities	(1,198,741)	(585,518)
	1,569,716	2,053,533

6. Contingencies & Commitments

6.1 Contingencies:

The group has issued following guarantees:

- (i) Bank guarantee of Rs 86.50 million (September 2007: Rs 86.50 million) in favour of Sui Northern Gas Pipelines Limited to indemnify against default in gas bills.
- (ii) Bank guarantee in favour of Government of Pakistan through Collector of Sales Tax, LTU against Sales tax refund claim amounting to Rs 9.552 million (September 2007: Rs 1.352) million.
- (iii) Cross corporate guarantee in favour of Allied Bank Limited to secure long term finance facility availed by the company's subsidiary, Shakarganj Food Products Limited of Rs 467 million (September 2007: Rs 467 million).
- (iv) The company has issued a post dated cheque in favour of the Collector of Customs against custom duty clearance in respect of import of plant and machinery amounting to Rs 4.53 million (September 2007: Rs 4.53) million.
- (v) Claims not acknowledged as debts Rs 6.319 million (September 2007: 6.319 million).
- (vi) During the course of negotiations for acquisition of net operating fixed assets of Dairy Crest Foods (Private) Limited ("the seller") by the subsidiary company, SFPL, the management of Dairy Crest Foods (Private) Limited disclosed to the Company ("the buyer") about a pending litigation between Mohammad Saleem etc vs Ravi Agricultural (the original owner of dairy plant, later on this plant was acquired by Dairy Crest Foods (Private) Limited) pending before Additional District and Session Judge, Faisalabad which challenges the title of the seller to the moveable assets and immovable property. By signing the tripartite asset transfer agreement, the seller agreed to inform the buyer in writing of all orders made in the suit as soon as the relevant orders are passed. Further the seller sponsors agreed to use their best efforts to get the suit dismissed as soon as possible and indemnify the buyer on demand against all losses, costs, expenses, damages and claim that may be made against or incurred by the buyer as consequence of any order or decision in the suit.

Further, if it is held in the suit that the seller did not have full title to any of the moveable assets and immovable property transferred, the seller sponsors would pay to the buyer on demand the amount paid by the buyer for same plus mark-up at the rate of 15% per annum from the date of payment by the buyer. As of the date of preparation of these financial statements, the suit is still pending before the Additional District and Session Judge, Faisalabad awaiting adjudication. Management of the Company is confident that the seller will be able to get the suit dismissed and the result of the suit will be favorable.

- (vii) Bank guarantee amounting to Rupees 0.900 million (30 September 2007: 0.900 million) given by subsidiary company SFPL in favour of Sui Northern Gas Pipelines Limited for the performance of contract.
- (viii) The Commissioner of Income Tax (Appeals) has passed an order under section 129 of the Income Tax Ordinance, 2001 for the tax year 2006 demanding Rupees 32.296 million as income tax payable alongwith additional tax on account of failure to withhold taxes at the time of making payments to certain parties and on additions

in fixed assets. The Subsidiary company SFPL is in the process of filing appeal before the Income Tax Appellate Tribunal against the said order contesting on the ground that withholding tax provisions do not apply to such payments. Pending the outcome of appeal, no provision has been recognised in these financial statements as the Company has strong grounds to believe that the ultimate outcome will be in its favour.

- (ix) The Subsidiary company SFPL was unable to submit sales tax refund claim amounting to Rupees 4.496 million for the month of July 2006 within the stipulated time owing to confusion over sales tax refund rules and the applicability of time limit for submission of refund claim. The Company applied to the Collector of Sales Tax and the Central Board of Revenue for condonation of time limit for submission of refund claim but was refused extension. Owing to the fact that a large number of registered sales tax payers are facing similar difficulty and their appeals before Sales Tax Appellate Tribunal are pending adjudication, no provision for sales tax irrecoverable has been recognized in these financial statements as the Company is confident of favourable outcome of the appeals.
- (x) Claim not acknowledged as debt by the subsidiary company SFPL amounting to Rupees 0.544 million (30 September 2007: NIL)
- (xi) The subsidiary company ACML has filed a rectification application application in respect of assessment year 2000-01 to 2002-03, which is still pending.
- (xii) Assessment in respect of assessment year 1999-2000 was finalized by the deputy commissioner of income tax by disallowing certain expenditures. The subsidiary company ACML has filed an appeal with the commissioner of income tax appeals ((CIT)A). The ((CIA)T) in its order allowed certian relief to the company. The income tax department has filed an appeal with the income tax appellate tribunal who has upheld the relief allowed by ((CIA)T). However the appeal effect order is still awaited.

6.2 Commitments

The group has the following comitments in respect of:

- (i) Letters of credit other than capital expenditure Rs 72.734 million (September 2007: Rs 2.867 million).
- (ii) Contracts for capital expenditure amounting to Rs 108.849 million (September 2007: Rs 494.710 million).
- (iii) Contracts for acquisition of intangible (computer software) amounting to Rs 20 million (September 2007: Rs 20 million).
- (iv) Commitments in respect of long term loan to Sui Northern Gas Pipelines Limited for the development of infrastructure for supply of natural gas to Dairy plant amounting to Rs 21.960 million (30 September 2007: 21.960).

	Note	March 31 2008 (Rupees in thousand)	September 30 2007
7. Property, plant and equipment			
Opening book value		6,793,062	4,964,548
Add: Additions during the period	7.1	559,087	430,314
Add: Revaluation during the period		-	1,837,094
		7,352,149	7,231,956
Less: Disposals during the period (at book value)		1,526	15,780
Depreciation charged during the period		195,550	406,213
Impairment charge charged during the period		-	16,901
		197,076	438,894
Closing book value		7,155,073	6,793,062
7.1 Addition during the period			
Land		17,051	41,591
Building on freehold land		17,221	140,883
Plant and machinery		505,759	184,605
Tools and equipment		1,104	34,449
Laboratory equipment		211	411
Water, electric and weighbridge equipments		1,627	4,900
Furniture and fixtures		2,313	1,745
Office equipment		1,347	2,518
Vehicles		8,175	18,835
Library books		76	377
Assets of subsidiary company ACML		33	-
Assets of subsidiary company SFL		4,170	-
		559,087	430,314
8. Long term investments - related parties			
In equity instruments of associated companies	8.1	171,404	177,233
Available for sale	8.2	139,179	16,040
Certificates of investment		1,694	-
		312,277	193,273
8.1 In equity instruments of associated companies			
Cost		55,529	55,529
Brought forward amounts of post acquisition reserves and profits and negative goodwill recognized directly in profit and loss account		121,704	157,789
		177,233	213,318
Share of movement in reserves during the year		(3,332)	97,954
Share of profit for the year			
- before taxation		2,761	103,688
- provision for taxation		(129)	(4,851)
		2,632	98,837
		176,533	410,109

	Note	March 31 2008 (Rupees in thousand)	September 30 2007
(Less)/Add: Share of profits and reserves of associates: transferred to short term investments:			
- to be disposed off during twelve months		-	(233,448)
disposed off during the year		-	7,567
dividends received during the year		(5,129)	(6,995)
Balance		171,404	177,233

8.2 Available for sale

Associated companies - at cost		14,000	14,000
Others - at cost		121,739	2,200
		135,739	16,200
Add: Cumulative fair value gain		5,640	2,040
Less: Cumulative impairment losses recognized		(2,200)	(2,200)
Fair value gain		3,440	(160)
		139,179	16,040

9. Short term investments

Available for sale	9.1	1,165,073	1,000,970
Held for trading		80,106	70,959
		1,245,179	1,071,929

9.1 Available for sale

At cost:			
Related parties		859,053	859,053
Others		265,696	267,406
		1,124,749	1,126,459
Add: Cumulative fair value gain		40,324	(124,046)
Less: Cumulative Impairment losses recognized	9.2	-	(1,443)
Fair value gain		40,324	(125,489)
		1,165,073	1,000,970

9.2 Impairment losses

Opening balance		1,443	54,171
Add: impairment loss recognized during the period		-	52,892
Less: impairment loss adjusted upon derecognition of investments		(1,443)	(105,620)
Closing balance		-	1,443

10. Segment results

(Rupees in thousand)

Note	Asian Capital Management Fund				Salway Fund				Total			
	Quarter ended		Half year ended		Quarter ended		Half year ended		Quarter ended		Half year ended	
	March 31, 2008	March 31, 2007	March 31, 2008	March 31, 2007	March 31, 2008	March 31, 2007	March 31, 2008	March 31, 2007	March 31, 2008	March 31, 2007	March 31, 2008	March 31, 2007
Net sales	558	-	558	-	642	-	642	-	2,076,716	1,744,436	3,385,761	3,413,231
Segment expenses	(251)	-	(251)	-	(642)	-	(642)	-	(2,072,161)	(1,583,603)	(3,755,764)	(3,774,431)
Gross profit/(loss)	(251)	-	(251)	-	(1,133)	-	(1,133)	-	(63,867)	(53,867)	(116,867)	(100,367)
- Administrative expenses	(251)	-	(251)	-	(1,133)	-	(1,133)	-	(86,326)	(86,452)	(188,727)	(130,931)
- Distribution and selling cost	(251)	-	(251)	-	(1,133)	-	(1,133)	-	(182,893)	(119,719)	(505,533)	(231,318)
Segment results	307	-	307	-	(491)	-	(491)	-	(157,638)	41,114	(89,263)	107,604
10.1 Sales												
Gross sales	-	-	-	-	-	-	-	-	1,946,231	1,878,739	3,108,699	3,565,563
- Local	-	-	-	-	-	-	-	-	397,285	81,025	632,121	232,799
- Export	-	-	-	-	-	-	-	-	1,548,946	1,797,714	2,476,578	3,332,764
Less: Expenses	-	-	-	-	-	-	-	-	3,191	3,191	6,422	16,831
- Investment Advisory fee	558	-	558	-	642	-	642	-	1,200	1,200	2,400	-
- Inter segment	-	-	-	-	-	-	-	-	-	-	-	-
Net sales	558	-	558	-	642	-	642	-	2,321,103	1,884,955	3,738,107	3,800,693
Less: Commission to selling agents	-	-	-	-	-	-	-	-	6,023	5,300	9,475	5,010
Account Reimbursement	-	-	-	-	-	-	-	-	1,475	2,725	4,200	2,725
Sales tax	-	-	-	-	-	-	-	-	195,715	190,509	294,771	360,539
Special Excise Duty	-	-	-	-	-	-	-	-	14,767	-	14,767	-
Net sales	558	-	558	-	642	-	642	-	2,244,387	2,220,519	3,703,346	396,462
									2,076,716	1,744,436	3,385,761	3,413,231
10.2 Cost of sales												
Inter-segment	-	-	-	-	-	-	-	-	-	-	-	-
Raw materials consumed	-	-	-	-	-	-	-	-	2,397,796	1,749,767	4,179,699	2,885,481
Salaries, wages and other benefits	-	-	-	-	-	-	-	-	84,289	66,699	180,759	119,986
Electricity consumed	-	-	-	-	-	-	-	-	3,416	3,416	6,832	6,832
Dyes and chemicals	-	-	-	-	-	-	-	-	38,105	17,750	55,177	27,231
Packing material consumed	-	-	-	-	-	-	-	-	96,391	66,248	177,574	142,035
Processing Charges	-	-	-	-	-	-	-	-	9,469	6,890	9,469	10,704
Fuel and power	-	-	-	-	-	-	-	-	40,262	39,672	95,342	112,913
Repair and maintenance	-	-	-	-	-	-	-	-	21,970	9,144	27,796	22,706
Transportation expenses	-	-	-	-	-	-	-	-	2,174	2,174	4,348	4,348
Vehicles running expenses	-	-	-	-	-	-	-	-	1,023	1,692	2,065	3,698
Travelling and conveyance	-	-	-	-	-	-	-	-	520	333	1,019	737
Printing and stationery	-	-	-	-	-	-	-	-	612	1,000	1,106	1,243
Rent, rates and taxes	-	-	-	-	-	-	-	-	2,733	1,694	7,247	3,197
Sugar cane research and development	-	-	-	-	-	-	-	-	93,053	86,983	176,933	174,113
Insurance	-	-	-	-	-	-	-	-	13,954	5,772	16,862	14,715
Depreciation on fixed assets	-	-	-	-	-	-	-	-	9,674	7,220	18,028	18,416
Depreciation of leased assets	-	-	-	-	-	-	-	-	2,851,141	2,091,796	5,009,638	3,996,407
Other factory overheads	-	-	-	-	-	-	-	-	31,203	36,768	21,035	21,035
Opening work in process	-	-	-	-	-	-	-	-	12,968	3,413	(28,250)	(14,263)
Less: Closing work in process	-	-	-	-	-	-	-	-	2,963,210	2,095,169	4,963,139	3,572,145
Cost of goods produced	-	-	-	-	-	-	-	-	2,863,112	1,893,675	4,985,401	1,851,001
Opening stock of finished goods	-	-	-	-	-	-	-	-	2,833,277	2,175,271	2,833,277	2,175,271
Less: Closing stock of finished goods	-	-	-	-	-	-	-	-	(70,165)	(511,996)	(1,747,876)	(848,270)
Net sales	558	-	558	-	642	-	642	-	(20,884)	-	(56,232)	(3,566)
Less: Own goods capitalized	-	-	-	-	-	-	-	-	2,072,161	1,583,603	3,179,431	3,074,369

10.3 Inter segment sales/purchases have been eliminated from total figures.

11. Earnings per share

There is no dilution of the basic earnings per share of the company as the effect of company's commitment to convert 1,000 preference shares into 167 ordinary shares of Rs 10 each is anti-dilutive.

Half year ended	
March 31 2008	March 31 2007
(Rupees in thousand)	

12. Cash generated from operations

Profit before taxation	(559,741)	7,250
Adjustments for:		
Depreciation on property, plant and equipment	195,550	192,618
Depreciation on assets subject to finance lease	22,844	13,015
Amortization of intangible assets	10,747	10,511
Amortization of deferred income	(1,231)	(1,278)
Gain on sale of property, plant and equipment	(341)	(3,013)
Impairment losses of investment	(1,434)	5,123
Gain on sale of investments	(5,116)	(368,275)
Unrealized loss (gain) on investments held for trading	4,181	(13,492)
Retirement benefits accrued	6,485	5,011
Dividend income	(338)	(31,404)
Fair value loss on recognition of biological assets	38,338	29,672
Provision for accumulating compensated absences	583	-
Gain on disposal of partial shares of subsidiary company	(38,324)	-
Share of loss/(income) from associated companies	(2,761)	(2,269)
Finance cost	407,405	493,814
	636,588	330,033
Profit before working capital changes	76,847	337,283
Effect on cash flow due to working capital changes:		
(Increase) in stores and spares	(23,663)	(7,403)
(Increase) in stock in trade	(2,133,666)	(562,773)
(Increase) / decrease in trade debts	(82,303)	(47,298)
(Increase) / decrease in biological assets	(1,191)	17,755
(Increase) / decrease in loans, advances, deposits, prepayments and other receivables	(143,949)	208,569
Increase in trade and other payables	1,738,777	670,892
	(645,995)	279,742
	(569,148)	617,025

13. Transactions with related parties

Dividend received	2,564	2,332
Purchase of goods and services	77,323	46,004
Sale of goods	3,483	30,364
Sale of property, plant and equipment	-	2,836
Sale of other goods	-	2,763
Share of common expenses	-	830
Expenses incurred on behalf of the company	2,524	73
Key management personnel compensation	18,440	12,972
Expense in respect of retirement benefit plans	5,201	4,090
	109,535	102,264

14. Date of authorization of issue

This condensed interim financial information was authorised for issue on May 29, 2008 by the Board of Directors of the company.

15. Detail of subsidiaries

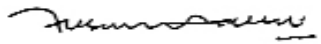
Name of subsidiary	Accounting year end	Percentage of holding	Country of incorporation
Shakarganj Food Products Limited (Formerly A. M. Fruit Products (Private) Limited)	September 30, 2007	90.56%	Pakistan
Safeway Fund Limited	June 30	75.00%	Pakistan
Asian Capital Management Limited	June 30	75.00%	Pakistan

16. Subsequent events

Subsequent to March 31, 2008, a consortium of investors comprising KASB Capital Limited (KASB) and AKD Securities Limited (AKD), through an agreement dated April 12, 2008 with the company, Crescent Steel and Allied Products Limited (CSAPL) and Shakarganj Foods Product Limited (SFPL), have agreed to subscribe to the share capital of SFPL, a subsidiary of the company, to the extent of Rs 777 million. Consequent to this, the company's shareholding in SFPL will reduce from 90% to approximately 44%.

17. Corresponding figures

Previous period's figures have been rearranged, wherever necessary, for the purposes of comparison. However, no significant re-arrangements have been made.



Chief Executive



Chairman