

Condensed Interim Report

For the First Quarter ended
31 December 2014



Shakarganj Mills Limited



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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

| | |
|---|-------------------|
| 1. Chairman (Non-Executive) | Muhammad Anwar |
| 2. Chief Executive Officer | Ahsan M. Saleem |
| <i>In alphabetic order:</i> | |
| 3. Executive Director | Ali Altaf Saleem |
| 4. Non-Executive Director | Khalid Bashir |
| 5. Non-Executive Director | Muhammad Arshad |
| 6. Non-Executive Director (NIT) | Sheikh Asim Rafiq |
| 7. Non-Executive Director (Independent) | Shehryar Mazhar |

Audit Committee

| | |
|----------|-------------------------------|
| Chairman | Khalid Bashir |
| Member | Muhammad Anwar |
| Member | Sheikh Asim Rafiq (NIT) |
| Member | Shehryar Mazhar (Independent) |

Human Resource & Remuneration Committee

| | |
|----------|-----------------|
| Chairman | Muhammad Anwar |
| Member | Ahsan M. Saleem |
| Member | Khalid Bashir |

Chief Financial Officer

S. M. Chaudhry

Company Secretary

Asif Ali

Management Committees

Executive Committee

| | |
|----------|------------------|
| Chairman | Ahsan M. Saleem |
| | Anjum M. Saleem |
| | Ali Altaf Saleem |

Business Strategy Committee

| | |
|----------|------------------------|
| Chairman | Ahsan M. Saleem |
| | Anjum M. Saleem |
| | Ali Altaf Saleem |
| | Muhammad Pervez Akhtar |
| | S.M. Chaudhry |
| | Manzoor Hussain Malik |

System & Technology Committee

| | |
|----------|------------------------|
| Chairman | Muhammad Pervez Akhtar |
| | S. M. Chaudhry |
| | Ibrahim Ahmad Cheema |

> 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 'Food Producers'

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.com.pk

Shareholders' Information

Inquiries concerning lost stock certificates, dividend payment, change of address, verification of transfer deeds and share transfers should be directed to CorpTec Associates (Pvt) Limited, Share Registrar of the Company at Lahore. Tel: 042 3517 0336 - 7 Fax: 042 3517 0338 E-mail: info@corptec.com.pk

Products

- Sugar
- Bio Fuel
- Bio Power
- Building Materials
- Yarn
- Tiger Compost

Legal Advisor

Hassan & Hassan Advocates, Lahore

Auditors

KPMG Taseer Hadi & Co. Chartered Accountants

Bankers

Faysal Bank Limited
MCB Bank Limited
National Bank of Pakistan
Standard Chartered Bank

Works

Principal Facility

Management House
Toba Road, Jhang, Pakistan
Tel: 047 763 1001 - 05
Fax: 047 763 1011
E-mail: info@shakarganj.com.pk

Satellite Facility

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

Website

www.shakarganj.com.pk
Note: This Interim Report is available on Shakarganj website.

Registered and Principal Office

10th Floor, BOP Tower,
10-B Block E 2, Gulberg III,
Lahore, Pakistan
Tel: 042 3578 3801- 06
Fax: 042 3578 3811

Karachi Office

12th Floor, Sidco Avenue Centre,
264 R.A. Lines, Karachi, Pakistan
Tel: 021 3568 8149
Fax: 021 3568 0476

Faisalabad Office

Nishatabad, New Lahore Road,
Faisalabad, Pakistan
Tel: 041 875 2810
Fax: 041 875 2811

Share Registrar

CorpTec Associates (Pvt) Limited
503-E, Johar Town
Lahore
Tel: 042 3517 0336 - 7
Fax: 042 3517 0338
E-mail: info@corptec.com.pk



> COMPANY PROFILE

Shakarganj Mills Limited was incorporated in Pakistan in 1967 as a Public Limited Company and is listed on all three stock exchanges of Pakistan. Shakarganj is a leading manufacturer of food products, bio fuel and building materials as well as textiles. We transform renewable crops such as sugarcane and cotton into value added products comprising refined sugar, textiles, bio fuel and building materials in addition to generating bio power from biogas. The Company has two manufacturing facilities in Jhang District. Our registered office is in Lahore.

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

Sugar Business:

We have two manufacturing facilities, 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 20,000 MT of sugarcane per day which is extendable to 32,000 MT per day.

Bio Fuel Business:

We have distilleries located at Jhang and Bhone where various grades of bio fuel are produced. Our products include rectified bio fuel for industrial and food grades, anhydrous bio fuel for fuel grade and extra neutral bio fuel for pharmaceutical and perfume grades. The combined capacity of our distilleries is 280,000 - 300,000 litres per day.

Bio Power Business:

Biogas power generation facility is located at Jhang. This facility comprises an Effluent Treatment Plant (ETP) and a Power Generation Facility. ETP operations involve biological treatment of distillery waste to produce

methane and a biological de-sulphurization plant to remove sulphur from the methane gas. This gas is then used in the power house to produce electricity which is sold to a utility company on the national grid. The present capacity of this plant is 8 megawatts. For better control, from January 2013 ETP has been transferred to Bio Fuel Business.

Building Materials Business:

Our Building Materials Division is located at Jhang facility, with a capability to produce 12 x 4 feet sheets of particle board of varying thickness. Our daily production capacity is 30 cubic metres.

Textile Business:

Located at Jhang, this cotton spinning unit produces carded cotton yarns ranging from 10/s to 30/s and doubled cotton yarn ranging from 8 to 15 TPI. The installed capacity is 25,856 spindles for cotton spinning and 2,304 spindles for doubling.

Farming & Allied Business:

This comprises different parcels of land mainly located at Jhang Division nearby our manufacturing facilities. Total area under cultivation is over 1,470 acres of which nearly 1,285 acres is owned land and rest is leased. The main crops include sugarcane, wheat, gram, maize, fodder and seasonal vegetables. A dairy farm located at Jhang has been developed, with a herd of 250 milking and fattening cattle. Small herd of rams and bucks for fattening purpose has also been developed.

Shakarganj has also launched a new product in the area of non chemicals fertilizers under the brand name of "Shakarganj Tiger Compost". The product as organic fertilizer has been developed using aerobic decomposition process with addition of standardized microbial culture in filter cake. The compost is a rich source of organic matter, with macro and micro nutrients to help improve soil is very

useful for better growth, yield and quality of all field crops in general and specifically for sugarcane. This is at its initial stage and would grow up in the farmer's community with the practical exposures.

Business Vision and Strategy:

Shakarganj's vision is to create 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 provide 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 organically. 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 programs 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 utilize technology and intellectual property enabling us to obtain a price premium along with sustainable and/or higher margins.



> DIRECTORS' REVIEW

I am pleased to present you the un-audited condensed interim financial information of the Company for the first quarter ended 31 December 2014.

The Company's performance was not according to the projections due to further decrease in sugar sale price, and shortage of raw material affected overall performance in the core business. During the period Company incurred after tax loss of Rs. 99 million in Q1FY2015 compared to loss of Rs. 296 million in Q1FY2014, as detailed below.

Our Sugar Division crushed 143,708 MT of sugarcane and produced 13,240 MT of sugar at an average recovery of 9.53 percent. This was an overall increase of 15% in sugar recovery compared to same period last year when we produced 54,595 MT of sugar from 683,234 MT of sugarcane at a sugar recovery of 8.31 percent. Management was selective in purchase of sugarcane due to abnormal price fluctuations, therefore, crushing has been comparatively low.

In the period under review, the performance of our Bio Fuel Division improved and its profitability increased. In spite of continuous declining trend in petroleum prices, bio fuel prices also decreased, yet have margins. During the period under review this division produced 7.6 million litres as compared to 9.7 million litres in the corresponding period last year. But the exports increased from 1.1 million litres during Q1 last year to 6.2 million litres during the current quarter. Bio power business also started its operation which generated 1.4 million units in current period as it could not start its operations in corresponding period of last year when spent wash was not available.

In the period under review, our Building Materials Division could not start its operations due to non-availability of sufficient bagasse, however the management took necessary measures to ensure its operation in next nine months. Yarn production at our Textile Division slightly reduced to 1.47 million kg in the period under review, in comparison to 1.65 million kg in Q1FY2014 because of improved average count.

The outlook for sugar business still depends on the availability of sugarcane and selling price of sugar, however, measures taken by the management so far, is expected to achieve overall positive results in Fiscal 2015. The Bio Fuel Division would contribute its share in the Company profitability. Other business segments are also expected to contribute to the bottom line of the Company.

On behalf of the Board

Ahsan M. Saleem
Chief Executive Officer

Date: 28 January 2015

> CONDENSED INTERIM BALANCE SHEET

As at 31 December 2014 (Un-Audited)

| Note | December 2014 Un-Audited | September 2014 Audited | September 2013 Audited |
|--|---|------------------------------|------------------------------|
| | ----- (Rupees in thousand) ----- | | |
| EQUITY AND LIABILITIES | | | |
| Share capital and reserves | | | |
| Authorized capital 150,000,000 (September 2014: 150,000,000) ordinary shares of Rs 10 each | 1,500,000 | 1,500,000 | 800,000 |
| 50,000,000 (September 2014: 50,000,000) preference shares of Rs 10 each | 500,000 | 500,000 | 500,000 |
| | 2,000,000 | 2,000,000 | 1,300,000 |
| Issued, subscribed and paid up capital 69,523,798 (September 2014: 69,523,798) ordinary shares of Rs 10 each | 695,238 | 695,238 | 695,238 |
| Reserves | 1,152,739 | 1,109,735 | 1,187,887 |
| Accumulated loss | (2,490,056) | (2,459,840) | (1,857,703) |
| | (642,079) | (654,867) | 25,422 |
| Surplus on revaluation of property, plant and equipment | 5,229,458 | 5,297,880 | 2,141,914 |
| Non-current liabilities | | | |
| Long term finances | - | - | 26,003 |
| Liabilities against assets subject to finance lease | - | - | 10,148 |
| Employees' retirement benefits | 9,287 | 9,287 | - |
| Deferred taxation | 1,089,825 | 1,089,825 | - |
| | 1,099,112 | 1,099,112 | 36,151 |
| Current liabilities | | | |
| Current portion of long term liabilities | 1,215,885 | 1,364,594 | 2,117,610 |
| Short term borrowings | 1,575,573 | 1,861,493 | 1,155,480 |
| Trade and other payables | 3,482,069 | 2,836,493 | 2,422,533 |
| Accrued finance cost | 608,140 | 606,721 | 916,193 |
| Provision for taxation | - | - | - |
| | 6,881,667 | 6,669,301 | 6,611,816 |
| Contingencies and commitments | - | - | - |
| | 12,568,158 | 12,411,426 | 8,815,303 |

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.


Chief Executive



| | December 2014 Un-Audited | September 2014 Audited | September 2013 Audited | |
|---|---|------------------------------|------------------------------|------------------|
| Note | ----- (Rupees in thousand) ----- | | | |
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 9 | 10,095,491 | 10,254,043 | 6,252,667 |
| Intangible assets | | 843 | 865 | 955 |
| Biological assets | | 13,305 | 13,654 | 13,975 |
| Investments - related parties | 10 | 678,761 | 603,687 | 1,081,722 |
| Employees' retirement benefits | | - | - | 13,091 |
| Long term loans, advances, deposits and prepayments | | 37,359 | 37,359 | 38,323 |
| Deferred taxation | | - | - | - |
| | | 10,825,759 | 10,909,608 | 7,400,733 |
| Current assets | | | | |
| Biological assets | | 25,120 | 29,477 | 32,600 |
| Stores, spares and loose tools | | 113,210 | 100,287 | 115,086 |
| Stock-in-trade | | 455,976 | 479,944 | 522,007 |
| Trade debts | | 203,399 | 38,888 | 71,619 |
| Investments | 11 | 317,616 | 295,721 | 248,607 |
| Loans, advances, deposits, prepayments and other receivables | | 370,423 | 462,509 | 324,282 |
| Cash and bank balances | | 256,655 | 94,992 | 100,369 |
| | | 1,742,399 | 1,501,818 | 1,414,570 |
| | | 12,568,158 | 12,411,426 | 8,815,303 |


Chairman

> CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

For the First Quarter Ended 31 December 2014 (Un-Audited)

| | Note | December 2014 (Rupees in thousand) | December 2013 | |
|--|--------|---------------------------------------|---------------|--------|
| Sales - net | 12.1 | 1,615,112 | 1,704,374 | |
| Cost of sales | 12.2 | (1,723,294) | (1,837,249) | |
| Gross loss | | (108,182) | (132,875) | |
| Administrative expenses | | (68,174) | (75,270) | |
| Distribution and selling costs | | (19,485) | (22,988) | |
| Other operating expenses | | (7,635) | (24,368) | |
| Other income | | 95,757 | 57,426 | |
| Loss from operations | | (107,719) | (198,075) | |
| Finance cost | | (62,201) | (76,904) | |
| Share of profit from associates | | 85,620 | 2,262 | |
| Loss before taxation | | (84,300) | (272,717) | |
| Taxation | | | | |
| - Company | | (3,989) | (16,947) | |
| - Associates | | (10,349) | (5,896) | |
| | | (14,338) | (22,843) | |
| Loss for the period | | (98,638) | (295,560) | |
| Basic earnings / (loss) per share | Rupees | 13 | (1.42) | (4.25) |
| Diluted earnings / (loss) per share | Rupees | 13 | (1.31) | (3.93) |

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.


Chief Executive


Chairman

> CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the First Quarter Ended 31 December 2014 (Un-Audited)



| | December 2014 (Rupees in thousand) | December 2013 |
|---|---|------------------|
| Loss for the period | (98,638) | (295,560) |
| Other comprehensive income | | |
| Items that may be reclassified to profit and loss | | |
| Fair value gain on ' Available for sale' investments | 43,201 | 82,193 |
| Share of other comprehensive (loss) / income of associates | (197) | 2,246 |
| Total comprehensive loss for the period | (55,634) | (211,121) |

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.


Chief Executive


Chairman

> CONDENSED INTERIM CASH FLOW STATEMENT

For the First Quarter Ended 31 December 2014 (Un-Audited)

| | Note | December 2014 (Rupees in thousand) | December 2013 |
|---|------|--|------------------|
| Cash flows from operating activities | | | |
| Cash generated / (used) in operations | 14 | 604,863 | (437,086) |
| Finance cost paid | | (60,782) | (230,262) |
| Taxes paid | | (10,958) | (27,449) |
| Employees' retirement benefits paid | | (4,742) | (3,248) |
| Net decrease / (increase) in long term deposits | | - | (36,595) |
| Net cash generated / (used) in operating activities | | 528,381 | (734,640) |
| Cash flows from investing activities | | | |
| Fixed capital expenditure | | (392) | (27,253) |
| Sale proceed from investment | | 67,119 | 187,734 |
| Dividends received | | - | 4,080 |
| Income from bank deposits received | | 8 | 171 |
| Proceeds from sale of live stock | | 680 | - |
| Proceeds from sale of property, plant and equipment | | 496 | 14,246 |
| Net cash generated from investing activities | | 67,911 | 178,978 |
| Cash flows from financing activities | | | |
| Long term finances - net | | (148,709) | (239,369) |
| Short term borrowings - net | | (285,920) | 727,750 |
| Finance lease liabilities - net | | - | (1,198) |
| Dividends paid | | - | - |
| Net cash generated / (used) in financing activities | | (434,629) | 487,183 |
| Net increase / (decrease) in cash and cash equivalents | | 161,663 | (68,479) |
| Cash and cash equivalents at the beginning of the period | | 94,992 | 100,369 |
| Cash and cash equivalents at the end of the period | | 256,655 | 31,890 |

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.


Chief Executive


Chairman

> CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the First Quarter Ended 31 December 2014 (Un-Audited)

(Rupees in thousand)

| | CAPITAL RESERVE | | | | REVENUE RESERVE | | | | Total | |
|--|-----------------|---------------|---|--------------------|---|---------|-----------------------|---|-------------|------------------|
| | Share Capital | Share Premium | Share in capital reserves of associates | Fair Value Reserve | Difference of Capital Under Scheme of Arrangement of Merger | General | Dividend Equalization | Equity Investment Market Value Equalization | | Accumulated loss |
| Balance as at 30 September 2013 | 695,238 | 243,282 | 26,865 | 245,504 | 155,930 | 410,606 | 22,700 | 83,000 | (1,862,015) | 21,110 |
| Total comprehensive income for the period ended 31 December 2013 | - | - | - | - | - | - | - | - | (295,560) | (295,560) |
| Other comprehensive income for the period | - | - | - | 82,193 | - | - | - | - | - | 82,193 |
| Profit for the period | - | - | 2,246 | - | - | - | - | - | - | 2,246 |
| Fair value loss on 'Available for sale' investments | - | - | - | - | - | - | - | - | - | - |
| Share of other comprehensive income of associates | - | - | - | 82,193 | - | - | - | - | - | 84,439 |
| Surplus transferred to accumulated losses on account of incremental depreciation | - | - | - | - | - | - | - | - | 1,678 | 1,678 |
| Total comprehensive income for the period | - | - | 2,246 | 82,193 | - | - | - | - | (283,882) | (199,443) |
| Balance as at 31 December 2013 | 695,238 | 243,282 | 29,111 | 327,697 | 155,930 | 410,606 | 22,700 | 83,000 | (2,145,897) | (178,332) |
| Balance as at 30 September 2014 | 695,238 | 243,282 | 23,803 | 170,414 | 155,930 | 410,606 | 22,700 | 83,000 | (2,459,840) | (654,867) |
| Total comprehensive income for the period ended 31 December 2014 | - | - | - | - | - | - | - | - | (98,638) | (98,638) |
| Loss for the period | - | - | - | - | - | - | - | - | - | - |
| Other comprehensive income for the period | - | - | - | 43,201 | - | - | - | - | - | 43,201 |
| Fair value gain on 'Available for sale' investments | - | - | (197) | - | - | - | - | - | - | (197) |
| Share of other comprehensive loss of associates | - | - | - | 43,201 | - | - | - | - | - | 43,004 |
| Surplus transferred to accumulated losses on account of incremental depreciation | - | - | - | - | - | - | - | - | 68,422 | 68,422 |
| Total comprehensive income / (loss) for the period | - | - | (197) | 43,201 | - | - | - | - | (30,216) | 12,788 |
| Balance as on 31 December 2014 | 695,238 | 243,282 | 23,606 | 213,615 | 155,930 | 410,606 | 22,700 | 83,000 | (2,490,056) | (642,079) |

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.


Chief Executive


Chairman



> NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the First Quarter Ended 31 December 2014 (Un-Audited)

1. THE COMPANY AND ITS OPERATIONS

1.1 The Company is incorporated in Pakistan and is listed on Karachi, Lahore and Islamabad Stock Exchanges. It is principally engaged in manufacture, purchase and sale of sugar, bio fuel, building materials, yarn (textile) and engaged in generation and sale of electricity (bio power). The Company has its principal manufacturing facilities at Jhang and satellite manufacturing facilities at Bhone. The registered office of the Company is situated at 10th floor, BOP tower, 10-B, Block E-2, Main Boulevard, Gulberg-III, Lahore.

1.2 Going concern assumption

The Company has been facing liquidity crunch for the last few years. The Company has incurred a net loss of Rs. 99 million during the current period and as at the reporting date the current liabilities of the Company have exceeded its current assets by Rs. 5,139 million (September 2014: Rs. 5,168 million), the equity has eroded and stands at negative Rs. 642 million. The Company has not been able to meet its various obligations for long term loans and short term borrowings. Borrowings (including mark-up payable thereon) aggregating Rs.1,497 million (September 2014: Rs. 2,165 million) are over-due for payment.

In February 2010, the Company entered into agreements for a bridge finance facility of Rs. 2,466 million and short term running finance facility of Rs. 2,980 million from a consortium of its existing lenders that could not become operative due to delays in obtaining No-objection certificate from National Bank of Pakistan for creation of pari passu charge on the assets against the above facilities. Furthermore, the Company was not able to liquidate all of the specified assets as per timelines identified in the bridge loan agreement and subsequent to 30 June 2011, these facilities stood expired.

Furthermore the Company had issued redeemable preference shares in 2005 to the shareholders of the Company which were to be redeemed along with any outstanding dividend payable in December 2009. Due to liquidity crunch the Company has not redeemed the preference shares and preference dividend amounting to Rs. 64.79 million is also outstanding as on 31 December 2014.

The above conditions raise significant doubts on the Company's ability to continue as a going concern. However, the management is confident of the Company's ability to continue as a going concern based on its concerted effort to re-profile borrowings and utilisation of improved liquidity in cost efficient operational levels of cane crushing and Bio Fuel manufacturing.

The steps taken by management up till now and planned in future are as follows:

The Company repaid Rs. 1,666 million of the bridge loan through utilisation of improved liquidity resulting from operational results and sale of certain assets of the Company, namely, Sugar Unit at Dargai Shah, Power Division at Dargai Shah, partial disinvestment in Safeway Mutual Fund and in Asian Stocks Fund and partial disposal of agricultural land.

During the year ended 30 September 2014, the Company disposed off its entire holding in Asian Stocks Fund, Crescent Jute Products Limited and Safeway Mutual Fund. The realised proceeds were utilized towards repayment of bank borrowings and to finance operations. Further the Company has also entered into agreement for sale of carbon dioxide (CO₂), produced as a by-product of bio fuel manufacturing process, that will help generate additional liquidity at improved margins.

The Company, in its efforts to re-profile its borrowings, continued the process of negotiations with its lenders seeking short term financing facilities for operational liquidity and relaxation in payments of its existing loans, the details of which are as follows:



Long term financing - secured

The Company requested its lenders for restructuring of over-due balances including mark-up to term borrowings under reduced and/or non-mark-up arrangements. As a result, the Company has successfully restructured/ rescheduled various loans amounting to Rs.1,435 million with respective lenders (including term finance certificate holders), out of which Rs. 1,199 million has been repaid as of 31 December 2014. The Company expects relaxation in payment terms and support by the lenders for the remaining overdue loans.

Subsequent to the year end, the Company has received a restructuring proposal from National Bank of Pakistan. As per the proposal, the principal overdue under demand finances amounting to Rs. 481 million will be rescheduled to a term loan repayable in seven years and at a reduced mark up rate. The markup payable under the overdue demand finances amounting to Rs. 283 million will also be restructured to a term loan repayable in seven years. Further the Company will also be able to secure an additional working capital line of Rs. 800 million with an incentive of upfront deduction from new disbursements for lender to adjust restructured loans. The finalization of the above proposal is in process.

Short term financing- secured

The Company has negotiated with its lenders for following short term secured financing for operational liquidity.

- Working capital line against pledge of sugar at 20% margin for 120 to 150 days with an incentive for lender to adjust 10% of the new disbursement against settlement of existing over-due loans (principal only); and
- An FE 25 loan in US Dollars with a maturity of 120-150 days after settlement of working capital against pledge of sugar. Such loan is being offered to be securitised against pledge of molasses/bio fuel with an incentive for lender to adjust 20% of the new disbursement against settlement of existing overdue loans (principal only).

Newly disbursed facilities shall be settled upon sale of respective commodities (Sugar/ Bio Fuel).

As a result of above negotiations, the Company obtained working capital lines of Rs. 1,300 million and FE 25 loans of Rs. 525 million from a number of banks of which Rs. 618 million and Rs. 523 million has been utilized as of 31 December 2014.

The Company has again requested its lenders for working capital lines for financing of its operations in current year against pledge of stocks of sugar, molasses and bio fuel. The Company, as an additional incentive to the lenders, has offered upfront deductions ranging from 5% to 10% on the requested limits for the settlement of overdue / due installments and markup.

The Company is confident that based on its above mentioned plan it will continue to be supported by the lenders and also be able to reschedule remaining of its existing over-due borrowings as well.

This financial information has been prepared on a going concern basis based on management's expectation that:

- the Company will continue to get support of its lenders and will be able to obtain relaxation in payment terms of its over-due borrowings; and

- the Company will be able to generate adequate liquidity through new short term borrowings and will be successful in utilising such funds to increase its operations and achieve its budgeted targets for production of sugar, bio fuel etc.

The interim financial information consequently, do not include any adjustments relating to the realisation of its assets and liquidation of any liabilities that might be necessary should the Company be unable to continue as a going concern.

2. BASIS OF PREPARATION AND 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 Financial Reporting Standard (IFRS) IAS 34 'Interim Financial Reporting' as applicable in Pakistan as notified by the Securities and Exchange Commission of Pakistan. This condensed interim financial information do not include all of the information required for full financial statements and should be read in conjunction with the financial statements of the Company for the year ended 30 September 2014.

The comparative balance sheets presented in this interim financial information has been extracted from the audited financial statements of the Company for the year ended 30 September 2014 and 30 September 2013 whereas the comparative condensed interim profit and loss account, condensed interim statement of other comprehensive income, condensed interim cash flow statement and condensed statement of changes in equity are stated from the unaudited condensed interim financial statements for the first quarter ended 31 December 2013.

This condensed interim financial information has been presented in Pakistani rupees, which is the functional currency of the Company and the figures are rounded off to the nearest thousand of rupees.

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 30 September 2014.

4. ESTIMATES & JUDGMENTS

Estimates and Judgments made by the management in the preparation of the condensed interim financial information are the same as those applied in the preparation of the preceding annual published financial statements of the Company for the year ended 30 September 2014.

5. RISK MANAGEMENT POLICIES

Risk management policies are consistent with those disclosed in the financial statements for the year ended 30 September 2014.

6. TAXATION

The provision for taxation for the quarter ended 31 December 2014 has been made on an estimated basis. In view of gross loss during the period the provision for current taxation represents tax on income under final tax regime.



7. Long term finances

| | December 2014 (Rupees in thousand) | September 2014 |
|---|---|-------------------|
| Long term loans - secured | | |
| Redeemable capital | 716,999 | 826,557 |
| - Preference shares (non-voting) - unsecured | 345,756 | 345,756 |
| - Term finance certificates (non-voting) - secured | 143,200 | 182,350 |
| | 488,956 | 528,106 |
| | 1,205,955 | 1,354,663 |
| Less: Current portion shown under current liabilities | | |
| - Long term loans - secured | (716,999) | (826,557) |
| - Redeemable capital - Preference Shares (non-voting) - secured | (345,756) | (345,756) |
| - Redeemable capital - term finance certificates (non-voting) - secured | (143,200) | (182,350) |
| | (1,205,955) | (1,354,663) |
| | - | - |

8. Contingencies and commitments

8.1 Contingencies

- (i) The Company has issued following guarantees:

Bank guarantee of Rs. 9.55 million (September 2014: Rs. 9.55 million) in favour of Sui Northern Gas Pipelines Limited against performance of contracts.

Apart from above, outstanding letters of guarantees amounted to Rs 3.35 million (September 2014: Rs 5.35 million)

- (ii) 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 14.02 million (September 2014: Rs 14.02 million).
- (iii) The Sindh High Court (the Court) in the case of 'Kasim Textile' in its order of 07 May 2013 has held that benefit of carry forward of minimum tax under section 113 of the Income Tax Ordinance, 2001 is only available if tax payable in a tax year is less than minimum tax paid. If in a tax year, a company has assessed losses on which no tax is payable, the company forgoes the right to carry forward minimum tax paid in that year. In the light of this order, the Company is not entitled to carry forward minimum tax paid in the tax year 2010 to 2014 of Rs 280.18 million as a result of assessed tax losses in these years and adjust it against normal tax liability. Also in the case of refunds claimed in any year, those would also be adjusted accordingly. However, the management is of the view that the verdict has been challenged in the Supreme Court and that they are waiting for the final outcome and accordingly tax liability for the current tax period has been made on the basis of minimum tax.
- (iv) The Government of Punjab under the powers conferred through the Punjab Excise Act, 1914 through notification No. SO. Tax (E&T) 3-4/2012 dated 03 July 2012, levy a charge of Rs. 2 per litre on manufacturing of spirit (bio fuel). The management through its legal council has challenged the imposition of said levy through a writ petition in the Lahore High

Court. The Honorable Lahore High Court, through such petition, has granted an interim relief in favour of the Company and accordingly no provision has been incorporated in the condensed interim financial information.

8.2 Commitments

The Company has the following commitments in respect of:

- (i) Contract for capital expenditure amounting to Rs 76.18 million (September 2014: Rs 76.18 million).
- (ii) Contracts for acquisition of intangible (computer software) amounting to Rs 20 million (September 2014: Rs. 20 million).
- (iii) Contracts for other than capital expenditures Rs 21.58 million (September 2014: Rs 7.81 million)
- (iv) The amount of future payments under operating leases and the period in which these payments will become due are as follows:

| | Note | December 2014 (Rupees in thousand) | September 2014 |
|---|------|--|-------------------|
| Not later than one year | | 438 | 438 |
| Later than one year and not later than five years | | 180 | 180 |
| | | 618 | 618 |

9. Property, plant and equipment

| | | | |
|---------------------------|-----|------------|------------|
| Operating assets (owned) | 9.1 | 9,957,319 | 10,115,176 |
| Operating assets (leased) | | 54,905 | 55,600 |
| Capital work-in-progress | 9.2 | 83,267 | 83,267 |
| | | 10,095,491 | 10,254,043 |

9.1.2 The Company basis its valuation of operating assets subject to impairment upon valuation performed by an independent valuation expert.

9.1 Operating assets (owned)

| | | | |
|---|-------|------------|------------|
| Opening book value | | 10,115,176 | 5,871,414 |
| Add: Addition | 9.1.1 | 392 | 315,213 |
| Transfer from assets subject to finance lease | | - | - |
| Adjustment of revaluation surplus | | - | 4,303,799 |
| | | 10,115,568 | 10,490,426 |
| Less: Disposal during the period | | (100) | (51,940) |
| Depreciation charged during the period | | (158,149) | (323,310) |
| | | (158,249) | (375,250) |
| Closing book value | | 9,957,319 | 10,115,176 |



| | Note | December 2014 (Rupees in thousand) | September 2014 |
|---|------|--|-------------------|
| 9.1.1 Addition during the period/year | | | |
| Land | | 100 | 2,182 |
| Building on free hold land | | - | 5,618 |
| Plant and machinery | | - | 298,787 |
| Tools and equipment | | - | 2,072 |
| Laboratory equipment | | - | 16 |
| Water electric and weighbridge equipment | | 37 | 2,494 |
| Furniture and fixture | | 35 | 598 |
| Office equipment | | 213 | 3,359 |
| Vehicles | | - | 65 |
| Library books | | 7 | 22 |
| | | 392 | 315,213 |
| 9.2 Capital work-in-progress | | | |
| Civil works | | 1,154 | 1,154 |
| Plant and machinery | | 40,789 | 41,001 |
| | | 41,943 | 42,155 |
| Advances given for capital work in progress | | 41,324 | 41,112 |
| | | 83,267 | 83,267 |
| 10. Investments - related parties | | | |
| In equity instruments of associates | 10.1 | 678,761 | 603,687 |
| Available for sale | 10.3 | - | - |
| | | 678,761 | 603,687 |
| 10.1 In equity instruments of associates | | | |
| Cost | | 444,494 | 444,494 |
| Brought forward amounts of post acquisition reserves, profits and negative goodwill recognized directly in profit and loss accounts | | 159,193 | 84,139 |
| | | 603,687 | 528,633 |
| Share of movement in reserves during the period / year | | (197) | (3,062) |
| Share of profit for the period / year | | | |
| - before taxation | | 85,620 | 122,618 |
| - provision for taxation | | (10,349) | (37,430) |
| | | 75,271 | 85,188 |
| | | 678,761 | 610,759 |
| Dividends received during the period / year | | - | (7,072) |
| Balance as at period / year end | 10.2 | 678,761 | 603,687 |

| | Note | December 2014 (Rupees in thousand) | September 2014 |
|--|--------|---------------------------------------|----------------|
| 10.2 In equity instruments of associates | | | |
| Quoted | | | |
| Crescent Steel and Allied Products Limited | | | |
| 2,992,068 (30 September 2014: 2,992,068) fully paid ordinary shares of Rs. 10 each Equity held: 4.82% (30 September 2014: 4.82%) | 10.2.5 | 259,609 | 264,369 |
| Unquoted | | | |
| Shakarganj Food Products Limited | | | |
| 74,654,596 (30 September 2014: 74,654,596) fully paid ordinary shares of Rs. 10 each Equity Held: 49.24% (30 September 2014: 49.24%) | 10.2.6 | 419,152 | 339,318 |
| | | <u>678,761</u> | <u>603,687</u> |

10.2.1 Investments in associates include goodwill amounting to Rs 82.89 million (30 September 2014: Rs 82.89 million).

10.2.2 The Company's share of the results of its principal associates, all of which are incorporated in Pakistan, and its share of the assets (including goodwill) and liabilities are as follows:

December 2014

| Name | Percentage interest held | Assets | Liabilities | Revenues | Profit / (loss) |
|--|--------------------------|------------------|------------------|------------------|-----------------|
| (Rupees in thousand) | | | | | |
| Crescent Steel and Allied Products Limited | 4.82% | 309,212 | (61,227) | 23,986 | (4,166) |
| Shakarganj Food Products Limited | 49.24% | 1,155,729 | (807,840) | 1,073,977 | 79,437 |
| | | <u>1,464,941</u> | <u>(869,067)</u> | <u>1,097,963</u> | <u>75,271</u> |

September 2014

| Name | Percentage (interest held) | Assets | Liabilities | Revenues | Profit / (loss) |
|--|----------------------------|------------------|------------------|------------------|-----------------|
| (Rupees in thousand) | | | | | |
| Crescent Steel and Allied Products Limited | 4.82% | 297,021 | (44,276) | 194,161 | 26,659 |
| Shakarganj Food Products Limited | 49.24% | 989,606 | (721,550) | 3,346,242 | 58,529 |
| | | <u>1,286,627</u> | <u>(765,826)</u> | <u>3,540,403</u> | <u>85,188</u> |

10.2.3 The Company's investment in Crescent steel and Allied Products Limited is less than 20% but it is considered to be an associate as per the requirements of IAS - 28 'Investments in Associates' because the Company has significant influence over its financial and operating policies through chief executive of the Company.



10.2.4 The above figures of Crescent Steel and Allied Products Limited are based on unaudited consolidated financial statements as at 30 September 2014.

10.2.5 The Company has assessed the recoverable amount of investment in Crescent Steel and Allied Products Limited based on value in use calculation. This calculation has been made on discounted cashflow methodology which assumes gross profit margin of 13.04% - 16.17%, EBITDA of 23.86% - 29.15%, terminal growth rate of 3.5% and weighted average cost of capital of approximately 15.16%.

10.2.6 The Company has assessed the recoverable amount of investment in Shakarganj Food Products Limited based on value in use calculation. This calculation has been made on discounted cash flow methodology which assumes gross profit margin of 14.87% - 15.56%, EBITDA of 3.77% - 4.15%, terminal growth rate of 4% and discount rate of Approximately 14.64%.

| | Note | December 2014 (Rupees in thousand) | September 2014 |
|---|--------|--|-------------------|
| 10.3 Available for sale | | | |
| Associated companies - at cost | 10.3.1 | 3,000 | 3,000 |
| Others - at cost | 10.3.2 | 2,200 | 2,200 |
| | | 5,200 | 5,200 |
| Add: Cumulative fair value gain | 10.3.3 | - | - |
| Less: Cumulative impairment losses recognized | 10.3.4 | (5,200) | (5,200) |
| Impairment loss/fair value gain | | (5,200) | (5,200) |
| | | - | - |
| 10.3.1 Associated companies | | | |
| Quoted | | | |
| Crescent Standard Telecommunications Limited | | | |
| 300,000 (30 September 2014: 300,000) fully paid ordinary shares of Rs 10 each | | 3,000 | 3,000 |
| 10.3.2 Others | | | |
| Unquoted | | | |
| Crescent Group Services (Private) Limited | | | |
| 220,000 (30 September 2014: 220,000) fully paid ordinary shares of Rs 10 each | | 2,200 | 2,200 |
| | | 5,200 | 5,200 |
| 10.3.3 Cumulative fair value gain | | | |
| As at October 1 | | - | 122,204 |
| Disposal of shares/units | | - | (122,204) |
| Fair value gain during the period / year | | - | - |
| As at period / year end | | - | - |

| | December 2014 (Rupees in thousand) | September 2014 |
|---|---|-------------------|
| 10.3.4 Cumulative impairment losses recognized | | |
| As at October 1 | 5,200 | 93,257 |
| Reversed during the period / year | - | (88,057) |
| As at period / year end | <u>5,200</u> | <u>5,200</u> |

10.3.5 Investments with face value of Rs 594.25 million (30 September 2014: Rs 594.25 million) and market value of Rs 670.280 million (30 September 2014: Rs 651 million) are pledged as security against long term running finances and short term borrowings.

| | Note | December 2014 (Rupees in thousand) | September 2014 |
|--|------|---|-------------------|
| 11. Investments | | | |
| Available for sale - at cost | 11.1 | 104,001 | 125,307 |
| Add: Cumulative fair value gain | 11.2 | 213,615 | 170,414 |
| | | <u>317,616</u> | <u>295,721</u> |
| 11.1 Available for sale - at cost | | | |
| Altern Energy Limited - Quoted | | | |
| 10,400,000 (30 September 2014: 12,530,582) fully paid ordinary shares of Rs 10 each | | 104,001 | 125,307 |
| Market value - Rs. 317.616 million (30 September 2014: Rs. 295.721 million) | | | |
| Innovative Investment Bank Limited - Unquoted | | | |
| 51,351 (30 September 2014: 51,351) fully paid ordinary shares of Rs 10 each | | - | - |
| | | <u>104,001</u> | <u>125,307</u> |
| 11.2 Cumulative fair value gain | | | |
| As at October 1 | | 170,414 | 123,300 |
| Fair value gain during the period / year | | 43,201 | 47,114 |
| As at period / year end | | <u>213,615</u> | <u>170,414</u> |

11.3 Rs. 67.119 million realized on sale of 2.131 million shares resulted in a profit of Rs. 45.813 million.

11.4 Investments with a face value of Rs 104 million (30 September 2014: Rs 124.66 million) and market value of Rs 317.616 million (30 September 2014: Rs 294.20 million) are pledged as security against short term borrowings.

12. Business segments information

(Rupees in thousand)

12.1 Revenue

- External
- Intersegment

| | Sugar | | Bio Fuel | | Bio Power | | Building Materials | | Textile | | Farms | | Others | | Total | |
|-----------|-----------|----------|-----------|---------|-----------|---------|--------------------|--------|---------|-------|-------|-----------|-----------|------|-------|------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| 793,596 | 1,084,528 | 450,678 | 99,637 | - | - | 19,901 | 486,086 | 8,066 | 9,686 | 6,550 | 4,536 | 1,615,112 | 1,704,374 | - | - | - |
| 108,997 | 341,191 | 12,112 | 805 | - | - | - | - | 7,554 | 8,151 | - | - | - | - | - | - | - |
| 902,593 | 1,425,719 | 462,789 | 100,442 | 15,683 | - | 5,373 | 486,086 | 15,620 | 17,837 | 6,550 | 4,536 | 1,615,112 | 1,704,374 | - | - | - |
| 15,656 | 8,512 | 106,513 | 329,491 | 9,539 | - | 36 | 11,518 | 12,602 | 444 | - | 182 | - | - | - | - | - |
| 1,103,968 | 1,610,829 | 247,267 | (297,615) | 12,335 | 9,782 | 7,626 | 485,878 | 15,728 | 17,292 | 3,779 | 2,863 | 1,723,294 | 1,837,249 | - | - | - |
| 1,119,624 | 1,619,341 | 353,780 | 31,876 | 21,873 | 9,782 | 7,661 | 485,878 | 15,728 | 17,736 | 3,779 | 3,044 | 1,723,294 | 1,837,249 | - | - | - |
| (217,030) | (193,622) | 109,009 | 66,566 | (6,191) | (9,782) | (2,288) | 208 | (108) | 101 | 2,771 | 1,492 | (108,182) | (132,875) | - | - | - |
| (39,547) | (62,064) | (20,277) | (4,377) | (687) | - | (235) | (7130) | (622) | (572) | (287) | (198) | (68,174) | (75,270) | - | - | - |
| (2,684) | (4,469) | (16,373) | (18,016) | - | - | (5) | (476) | - | - | - | - | (19,485) | (22,988) | - | - | - |
| (42,232) | (66,533) | (36,650) | (22,393) | (687) | - | (240) | (7,606) | (622) | (572) | (287) | (198) | (87,659) | (96,258) | - | - | - |
| (259,262) | (260,155) | 72,359 | 46,173 | (6,878) | (9,782) | (2,528) | (7,398) | (730) | (471) | 2,484 | 1,294 | (195,841) | (231,133) | - | - | - |

12.2

- Intersegment
- External

Gross profit / (loss)

- Administrative expenses
- Distribution and selling expenses

Segment results

Other operating expenses

Other operating income

Operating loss

Finance costs

Share of Profit from associates

Loss before taxation

Taxation

-Company

-Associates

Loss for the period

Note: Intersegment sales & purchases have been eliminated from total figures.



12.3 Segment assets and liabilities

| | Segment assets | | Segment liabilities | |
|--------------------|----------------------|-------------------|---------------------|-------------------|
| | 31 December 2014 | 30 September 2014 | 31 December 2014 | 30 September 2014 |
| | | | | |
| | | | | |
| | (Rupees in thousand) | | | |
| Sugar | 5,680,626 | 5,590,260 | 4,632,956 | 4,466,701 |
| Bio Fuel | 2,277,783 | 2,225,763 | 1,621,582 | 1,586,602 |
| Bio Power | 458,139 | 451,837 | 6,708 | 6,141 |
| Building Materials | 83,377 | 80,136 | 3,381 | 2,139 |
| Textile | 430,002 | 430,900 | 120,452 | 114,782 |
| Farms | 721,659 | 720,427 | 19,310 | 16,854 |
| Others | 6,709 | 6,367 | - | - |
| Unallocated | 2,909,863 | 2,905,736 | 1,576,390 | 1,575,194 |
| | 12,568,158 | 12,411,426 | 7,980,779 | 7,768,413 |

13. Earnings per share

13.1 Basic earnings per share

| | | December 2014 | December 2013 |
|---|---------------|---------------|---------------|
| Loss for the period | Rupees | (98,638,000) | (295,560,000) |
| Weighted average number of ordinary shares in issue during the period | Number | 69,523,798 | 69,523,798 |
| Loss per share - basic | Rupees | (1.42) | (4.25) |

13.2 Diluted earnings / (loss) per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The company has a commitment to convert 1,000 preference shares into 167 ordinary shares of Rs 10 each. For the purposes of computing the diluted EPS the convertible preference shares are assumed to have been converted into ordinary shares, and the profit/(loss) is adjusted to eliminate the preference dividend.

| | | December 2014 | December 2013 |
|---|--------|---------------|---------------|
| Loss for the period | | (98,638,000) | (295,560,000) |
| Loss used to determine diluted earnings per share | Rupees | (98,638,000) | (295,560,000) |
| Weighted average number of ordinary shares in issue during the period | Number | 69,523,798 | 69,523,798 |
| Assumed conversion of convertible preference shares into ordinary shares | Number | 5,774,108 | 5,774,108 |
| Weighted average number of ordinary shares for diluted earnings per share | Number | 75,297,906 | 75,297,906 |
| Loss per share - diluted | Rupees | (1.31) | (3.93) |



14. Cash generated from operating activities

| | December 2014 (Rupees in thousand) | December 2013 |
|--|---|------------------|
| Loss before taxation | (84,300) | (272,717) |
| Adjustment for: | | |
| Depreciation/amortization of: | | |
| - property, plant and equipment | 158,844 | 79,854 |
| - intangible assets | 22 | 22 |
| Liabilities written back | - | - |
| (Gain)/loss on sale of property, plant and equipment | (396) | (505) |
| Interest from bank deposits | (8) | (171) |
| Provision for doubtful: | | |
| - Long term loans, advances, deposits and receivables | - | - |
| - Short term loans, advances, deposits and receivables | - | - |
| - Advances given for capital work in progress | - | - |
| - Trade debtors | - | - |
| Provision for employees' retirement benefits | 4,448 | 3,248 |
| Dividend income | - | - |
| Net income from livestock | (330) | (264) |
| Gain on marked to market valuation of interest rate swap | - | - |
| Gain on transfer of equity investment to available for sale | - | - |
| Gain on sale of 'Available for sale' investments | (45,813) | (19,671) |
| Share of profit from associates | (85,620) | (2,262) |
| Finance cost | 62,201 | 76,904 |
| | 93,348 | 137,155 |
| Profit / (loss) before working capital changes | 9,048 | (135,562) |
| <i>Effect on cash flow due to working capital changes:</i> | | |
| Decrease (increase) in stores and spares | (12,923) | (54,406) |
| Decrease (increase) in stock in trade | 23,968 | (2,090,926) |
| Decrease (increase) in biological assets - net | 4,357 | 2,390 |
| Decrease (increase) in trade debts | (164,511) | (241,730) |
| Decrease (Increase) in loans, advances, prepayments and other receivables | 99,053 | (161,638) |
| Increase in trade and other payables | 645,871 | 2,244,786 |
| | 595,815 | (301,524) |
| Cash generated / (used) in operating activities | 604,863 | (437,086) |

15. Transactions with related parties

| Relationship with the company | Nature of transactions | December 2014 (Rupees in thousand) | December 2013 |
|--|--|---------------------------------------|---------------|
| i. Associated Undertakings | | | |
| Crescent Steel & Allied Products Limited | Purchase of goods | 4,398 | 3,171 |
| | Salaries and other common expenses | 1,193 | 1,200 |
| | Dividend income | - | 4,080 |
| Shakarganj Energy (Private) Limited | Purchase of electricity and steam | 66,997 | - |
| | Sale of bagasse and water | 67,062 | - |
| | Sale of goods | - | 933 |
| Shakarganj Food Products Limited | Sale of goods | 2,597 | 2,007 |
| | Salaries and other common expenses | 173 | 199 |
| Premier Insurance Limited | Insurance expenses | 1,184 | 1,414 |
| ii. Post employment benefit plans | Expense charged in respect of retirement benefit plans | 4,080 | 5,482 |
| ii. Key management personnel | Salaries and other employee benefits | 27,673 | 22,734 |

16. Date of authorisation for issue

This condensed interim financial information was authorized for issue on 28 January 2015 by the board of directors of the Company.

17. Events after the balance sheet date

There are no subsequent events occurring after balance sheet date.

18. 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-arrangement was made in this financial information.


Chief Executive


Chairman



BOOK POST



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