



**Shakarganj Limited**

GROWING UP  
FOR THE FUTURE

Condensed Interim Report  
For the First Quarter ended  
31 December 2016



## CONTENTS

Vision, Mission and Values	2
Company Information	3
Shareholders' Information	4
Company Profile	5
Directors' Review	7
Condensed Interim Balance Sheet	10
Condensed Interim Profit and Loss Account	12
Condensed Interim Statement of Comprehensive Income	13
Condensed Interim Cash Flow Statement	14
Condensed Interim Statement of Changes in Equity	15
Selected Notes to the Condensed Interim Financial Information	16

## 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	Anjum Muhammad Saleem
In alphabetic order:	
3. Executive Director	Ali Altaf Saleem
4. Non-Executive Director	Hajerah Ahsan Saleem
5. Non-Executive Director	Khalid Bashir
6. Non-Executive Director	Muhammad Arshad
7. Non-Executive Director (Independent)	Sheikh Asim Rafiq

### Audit Committee

Chairman	Khalid Bashir
Member	Muhammad Anwar
Member	Sheikh Asim Rafiq (Independent)
Member	Hajerah Ahsan Saleem

### Human Resource & Remuneration Committee

Chairman	Muhammad Anwar
Member	Anjum Muhammad Saleem
Member	Khalid Bashir

### Chief Financial Officer

Muhammad Asif

### Company Secretary

Asif Ali

### Management Committees

#### Executive Committee

Chairman	Anjum Muhammad Saleem
	Ali Altaf Saleem
	Muhammad Pervez Akhtar

#### Business Strategy Committee

Chairman	Anjum Muhammad Saleem
	Ali Altaf Saleem
	Muhammad Pervez Akhtar
	Muhammad Asif
	Manzoor Hussain Malik

#### System & Technology Committee

Chairman	Muhammad Pervez Akhtar
	Muhammad Asif
	Ibrahim Ahmad Cheema

## SHAREHOLDERS' INFORMATION

### Stock Exchange Listing

Shakarganj Limited is a listed company and its shares are traded on the Pakistan Stock Exchange. Daily quotes on the Company's stock can be obtained from leading newspapers. Shakarganj is listed under 'Sugar & Allied Industries'

### Public Information

Financial analysts, Stock brokers, interested investors and financial media desiring information about "Shakarganj" should contact Mr. Asif Ali at the Company's Office, Jhang. Tel: 047 763 1001 - 05 Fax: 047 763 1011 E-mail: info@shakarganj.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

MCB Bank Limited  
National Bank of Pakistan  
Bank Islami Pakistan Limited

### Works

#### Principal Facility

Management House  
Toba Road, Jhang, Pakistan  
Tel: 047 763 1001 - 05  
Fax: 047 763 1011  
E-mail: info@shakarganj.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 Report is available on Shakarganj website.

### Registered and Principal Office

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

### Karachi Office

12<sup>th</sup> 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 Limited was incorporated in Pakistan in 1967 as a Public Limited Company and is listed on the Pakistan Stock Exchange. Shakarganj is a leading manufacturer of food products, 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 Limited, 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.

### 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 1,285 acres which is owned land. 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 150 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 2016.

### Financial and Operational Performance:

#### Summary of operating performance:

During the period under review, sugar division perform well and the Company earned an after tax profit of Rs. 102.06 million as compared to after tax profit of Rs. 116.73 million in Q1FY2016. Overall financial results of the Company were better, yet bio fuel division was trying to get the momentum as export would be started from next month. Sugarcane crushing was improved by more than 260% during the period under review and with better sugar selling price, our Sugar Division achieved Rs. 107.62 million operational profits. Crushing season was started with positive note earlier by half of month as to the last season however some trade off in recovery may arise due to early start up which is likely to be compensated by higher production.

Initial survey for the sugarcane crop indicates that sugarcane output is expected to remain better and with this forecast we anticipate that the overall crushing would be far better than last year. Higher international and subsequent domestic sugar prices have meant that the industry can make timely payments to the growers. Sugar prices have shown steady upward trend and we continue to sell on regular basis and this policy is expected to improve and overcome liquidity problem as well as timely payments to growers. In bio fuel business, during last couple of years, due to worldwide doldrums the price of bio fuel showed a declining trend however, recently some improvements has been witnessed

and we hope that like sugar business, your Company would also be able to capture the momentum in bio fuel business and with the help of better environments we would be able to back on track.

### Business Segments:

#### Sugar Division:

Our Sugar Division crushed 552,132 MT of sugarcane and produced 46,205 MT of sugar at an average recovery of 8.79 percent. This was an overall increase of 237% in sugar production compared to same period last year when we produced 13,706 MT of sugar from 152,775 MT of sugarcane at a sugar recovery of 9.97 percent. Management is trying to achieve highest level of crushing as well as production by maximizing good quality sugarcane procurements.

#### Bio-Fuel Division:

Shakarganj was compelled to close its bio-fuel and alternate energy plants in fiscal year 2016 as mentioned in our last annual review. Bio fuel plants were again started production however still getting momentum and export would be started within couple of weeks and we are hopeful that by covering-up liquidity problems, sufficient raw material would be managed. During the period under review, this division produced 1.75 million litres as compared to 2.05 million litres in the corresponding period last year. Company would meet the production targets in bio fuel business and would again become the best exporter of bio fuel products. Management is striving hard to acquire molasses at reasonable cost to create enough margins for healthy bottom lines.



### Bio-Power Division:

The Bio-Power Division was not operated and bio power generation remained nil (1QFY16: nil) due to closure of bio fuel plants and lower price paid for bio power by FESCO as opposed to utilizing the biogas in our boilers. In view of heavy repair & maintenance involved in restarting the activities in this business, the Company would reconsider the operations in case of margins available.

### Building Materials Division:

In view of depressed selling prices of particle board and non availability of surplus bagasse, this division was closed last year. However, now in view of some improvement in the prices, the production is expected to start from next month as the management is planning to use surplus bagasse for building material business.

### Textile Division:

Yarn production at our Textile Division increased to 0.92 million kg in the period under review, in comparison to 0.76 million kg in Q1FY2016. Although yarn prices are expected to increase in line with raw material costs, the loss of production due to irregular supply of electricity and long shut downs is hampering the productivity of this division. However, our this business is expected to bailout from the present hardship being faced, by improving electricity supply to the manufacturing operation and better marketing of yarn to achieve rational in revenue.

### Future Outlook:

Pakistan's economic turnaround continues, achieving its highest growth rate in the last eight years and inflation has fallen to its lowest level in decades and is expected to remain below the target. National economy is expected to grow up rapidly and recently the national equity market outperformed regional giants like India and China crossing the 48,000 points mark and remained at 5th worldwide. This rise is mainly driven by projects under China Pakistan Economic Corridor (CPEC) as well as positive policies by the government at both national and provincial levels. Projects under CPEC are expected to substantially increase power generation in the country enhancing growth in industry as well as service sector.


All these factors as discussed above would also impact the Company financials positively and management would try its best to achieve better results in all segments especially where margins are available. The management is confident for significant improvements in the sugar and bio fuel businesses in next nine months of fiscal year 2017 with special concentration on its bio fuel business as well as current sugar season. The future outlook of the distillery depends on contiguous availability of good quality molasses and management is striving hard to add up in its molasses pool, a bulk quantity of molasses at reasonable cost to create enough margins for healthy bottom lines. After restarting of bio fuel operations, CO2 operations would also be expected to start in next month.

The textile division expected to remain under pressure due to phenomenal increase in cotton prices and shortage in cotton production in the country. Although yarn prices are expected to increase in line with raw material costs, the loss of production due to irregular supply of electricity from WAPDA and long shut downs is seriously hampering the productivity of this division. However, our this business is expected to bailout from the present hardship being faced, by improving electricity supply to the manufacturing operation and better marketing of yarn to achieve rational in revenue.

As explained in our last annual report, the Company has been in a tight liquidity position since 2009. During the period under review, the Company has again requested its lenders for working capital lines for financing of its operations in Fiscal 2017. Negotiations with the Company lenders are being successfully finalized as fully explained in note 1.2 to the attached

condensed interim financial information. The Company believes that there is no doubt on its ability to continue as a going concern as it proved in sugar business revival and it has adequate operating capabilities to continue operations for the foreseeable future. The steps taken by the management so far and those planned for the future are explained in Note 1.2 of the annexed condensed interim financial information.

On behalf of the Board



Anjum M. Saleem  
Chief Executive Officer

Date: 31 January 2017

## CONDENSED INTERIM BALANCE SHEET

As at 31 December 2016 (Un-Audited)

	Note	December 2016 (Un-audited) (Rupees in thousand)	September 2016 (Audited)
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized capital			
150,000,000 (September 2016: 150,000,000)			
ordinary shares of Rs. 10 each		1,500,000	1,500,000
50,000,000 (September 2016: 50,000,000)			
preference shares of Rs. 10 each		500,000	500,000
		<u>2,000,000</u>	<u>2,000,000</u>
Issued, subscribed and paid up capital			
110,000,002 (September 2016: 110,000,002)			
ordinary shares of Rs 10 each		1,100,000	1,100,000
Equity portion of director loan - net of tax		54,811	57,205
Reserves		911,185	906,114
Accumulated loss		(1,846,242)	(2,034,861)
		<u>219,754</u>	<u>28,458</u>
Surplus on revaluation of property, plant and equipment - net of tax		4,858,610	4,942,775
<b>Non-current liabilities</b>			
Long term finances	7	469,899	491,213
Deferred taxation		794,492	810,042
		<u>1,264,391</u>	<u>1,301,255</u>
<b>Current liabilities</b>			
Current portion of long term liabilities		103,091	147,543
Short term borrowings	8	1,754,954	969,199
Trade and other payables		3,404,504	3,232,021
Accrued finance cost		109,454	218,545
		<u>5,372,003</u>	<u>4,567,308</u>
<b>Contingencies and commitments</b>			
	9		
		<u>11,714,758</u>	<u>10,839,796</u>

The annexed notes from 1 to 22 form an integral part of this condensed interim financial information.

  
Chief Executive

  
Chairman

  
Chief Financial Officer

	Note	December 2016 (Un-audited) (Rupees in thousand)	September 2016 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	8,843,467	8,987,560
Intangible assets		640	685
Biological assets		7,692	7,734
Investments	11	1,011,810	954,356
Employees' retirement benefits		38,927	38,927
Long term loans, advances and deposits		36,531	36,531
		9,939,067	10,025,793
<b>Current assets</b>			
Biological assets		15,374	13,718
Stores, spares and loose tools		84,707	70,879
Stock-in-trade	12	1,141,727	347,650
Trade debts		9,772	13,154
Loans, advances, deposits, prepayments and other receivables		375,636	349,962
Cash and bank balances	13	148,475	18,640
		1,775,691	814,003
		11,714,758	10,839,796



Chief Executive



Chairman



Chief Financial Officer

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

For the First Quarter Ended 31 December 2016 (Un-Audited)

	Note	December 2016 (Rupees in thousand)	December 2015
Sales - net	14.1	2,579,892	598,366
Cost of sales	14.2	(2,441,027)	(651,587)
<b>Gross profit / (loss)</b>		138,865	(53,221)
Administrative expenses		(59,374)	(53,511)
Distribution and selling costs		(6,118)	(10,897)
Other operating expenses		(15,404)	(10,533)
Other income	15	36,923	197,805
Profit from operations		94,892	69,643
Finance cost		(35,000)	(41,464)
Share of profit from associates		72,086	86,471
Profit before taxation		131,978	114,650
Taxation			
- Company		(10,215)	14,605
- Associates		(19,703)	(12,521)
		(29,918)	2,084
Profit for the period		102,060	116,734
<b>Basic earnings per share</b>	Rupees	17	0.93
<b>Diluted earnings per share</b>	Rupees	17	0.93

The annexed notes from 1 to 22 form an integral part of this condensed interim financial information.

  
Chief Executive

  
Chairman

  
Chief Financial Officer

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the First Quarter Ended 31 December 2016 (Un-Audited)

	December 2016 (Rupees in thousand)	December 2015
<b>Profit for the period</b>	102,060	116,734
Other comprehensive income for the period		
<b><u>Items that are or may be reclassified to profit or loss account:</u></b>		
Fair value gain on 'available for sale' investments	5,071	123,723
Share of other comprehensive income of associates	-	75
<b><u>Items that will never be reclassified to profit or loss account:</u></b>		
Remeasurement gain on employee retirement benefits	-	-
<b>Total comprehensive income for the period</b>	<b>107,131</b>	<b>240,532</b>

The annexed notes from 1 to 22 form an integral part of this condensed interim financial information.

  
Chief Executive

  
Chairman

  
Chief Financial Officer

## CONDENSED INTERIM CASH FLOW STATEMENT

For the First Quarter Ended 31 December 2016 (Un-Audited)

	Note	December 2016 (Rupees in thousand)	December 2015
<b>Cash flows from operating activities</b>			
Cash used in operations	18	(457,794)	(145,025)
Finance cost paid		(132,991)	(18,979)
Taxes paid		(15,829)	(45,404)
Employees' retirement benefits paid		-	(4,234)
<b>Net cash used in operating activities</b>		(606,614)	(213,642)
<b>Cash flows from investing activities</b>			
Fixed capital expenditure		(14,283)	(1,041)
Proceeds from sale of live stock		-	318
Dividends received		360	-
Income from bank deposits received		5	5
Proceeds from sale of property, plant and equipment		35,100	5,509
<b>Net cash generated from investing activities</b>		21,182	4,791
<b>Cash flows from financing activities</b>			
Repayment of long term borrowings		(70,488)	(313,084)
Short term borrowings - net		785,755	517,319
<b>Net cash generated from financing activities</b>		715,267	204,235
<b>Net (decrease) / increase in cash and cash equivalents</b>		129,835	(4,616)
<b>Cash and cash equivalents at beginning of the period</b>		18,640	1,528,456
<b>Cash and cash equivalents at end of the period</b>	13	148,475	1,523,840

The annexed notes from 1 to 22 form an integral part of this condensed interim financial information.

  
Chief Executive

  
Chairman

  
Chief Financial Officer

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the First Quarter Ended 31 December 2016 (Un-Audited)

(Rupees in thousand)

For the First Quarter Ended 31 December 2016 (Un-Audited)											
	CAPITAL RESERVE				REVENUE RESERVE			(Rupees in thousand)			
	Share Capital	Share Premium	Share in capital reserves of associates	Fair Value Reserve	Difference of Capital Under Scheme of Arrangement of Merger	Equity portion of director loan - net of tax	General	Dividend Equalization	Equity Investment Market Value Equalization	Accumulated loss	Total
Balance as at 01 October 2015	695,238	243,282	(2,331)	(16,247)	155,930	-	410,606	22,700	83,000	(2,303,988)	(711,810)
Total comprehensive income for the period ended 31 December 2015											
Profit for the period	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the year:											
Fair value gain on 'Available for sale' investments	-	-	-	123,723	-	-	-	-	-	-	123,723
Share of other comprehensive income of associates	-	-	75	-	-	-	-	-	-	-	75
	-	-	75	123,723	-	-	-	-	-	116,734	240,532
Surplus transferred to accumulated losses on account of:											
- disposal of plant and machinery	-	-	-	-	-	-	-	-	-	-	-
- incremental depreciation on property, plant and equipment - net of deferred tax	-	-	-	-	-	-	-	-	-	69,105	69,105
	-	-	-	-	-	-	-	-	-	69,105	69,105
Total comprehensive income for the period			75	123,723	-	-	-	-	-	185,839	309,637
Balance as on 31 December 2015	695,238	243,282	(2,256)	107,476	155,930	-	410,606	22,700	83,000	(2,118,149)	(402,173)
Balance as on 30 September 2016	1,100,000	237,755	(10,638)	6,761	155,930	57,205	410,606	22,700	83,000	(2,034,861)	28,458
Total comprehensive income for the period ended 31 December 2016											
Profit for the period	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period:											
Fair value gain on 'Available for sale' Investments	-	-	-	5,071	-	-	-	-	-	-	5,071
	-	-	-	5,071	-	-	-	-	-	102,060	107,131
Surplus transferred to accumulated losses on account of											
- disposal of Plant & Machinery	-	-	-	-	-	-	-	-	-	-	-
- incremental depreciation on property, plant and equipment - net of deferred tax	-	-	-	-	-	-	-	-	-	23,437	23,437
	-	-	-	-	-	-	-	-	-	60,728	60,728
Total comprehensive income for the period				5,071	-	-	-	-	-	186,225	191,296
Transactions with owners of the Company, recognized directly in equity											
Equity portion of loan from director - net of tax	-	-	-	-	-	(2,394)	-	-	-	-	-
Balance as on 31 December 2016	1,100,000	237,755	(10,638)	11,832	155,930	54,811	410,606	22,700	83,000	(1,846,242)	219,754

The annexed notes from 1 to 22 form an integral part of this condensed interim financial information.

  
Chief Executive

  
Chairman

  
Chief Financial Officer



## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the First Quarter Ended 31 December 2016 (Un-Audited)

### 1. The Company and its operations

- 1.1** The Company is incorporated in Pakistan and is listed on Pakistan Stock Exchange. 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. During the current period, the liquidity position was improved significantly resulting in higher level of sugarcane procurement and consequent higher level of crushing. Due to the improvements of operations and liquidity scenario, the Company has earned a net profit of Rs. 102 million during the first quarter of fiscal year 2017. However, due to losses as mentioned in last annual financial statement, as at the reporting date the current liabilities of the Company have exceeded its current assets by Rs. 3,596 million (30 September 2016: Rs. 3,753 million).

During the period the Company has crushed 0.56 million tonnes (31 December 2015: 0.16 million tonnes) of sugarcane and produced sugar of 46,205 tonnes (31 December 2015: 13,706 tonnes) at an average recovery of 8.79% (31 December 2015: 9.97%). Further 1.75 million litre (31 December 2015: 2.05 million litre) of bio fuel was produced during the period.

Long term loans over-due as of 31 December 2016 amount to Rs. 6.14 million alongwith over-due accrued markup of Rs. 76.85 million.

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 utilization 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:

To-date out of total over-due finances, the Company has repaid the bridge finance and other over-due borrowings through utilization of cashflows from operational results and sale of certain assets of the Company, namely, Sugar Unit at Dargai Shah, power division at Dargai Shah, disposal of certain investments (Safeway Fund Limited, Safeway Mutual Fund Limited, Asian Stocks Fund Limited, Crescent Jute Products Limited, Altern Energy Limited and Crescent Steel and Allied Products Limited) and partial disposal of agricultural land.

The Company has also entered into agreement for sale of carbon dioxide (CO<sub>2</sub>), produced as a by-product of bio fuel manufacturing process and sales of CO<sub>2</sub> are expected to start in next quarter.

During the last year, further equity amounting to Rs. 404.76 million has been injected through issuance of right shares and as explained in notes, the same was utilized for redemption of preference shares and outstanding preference dividend. Further, during last year Rs. 240 million has also been given as interest free long term loan by Executive Director of the Company. Both these injections impact positively toward liquidity scenario.

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.

**Long term financing - secured**

During the last year, restructuring for the outstanding over-due finances with National Bank has been completed and long term loans and accrued markup amounting to Rs. 481 million and Rs. 348.83 million has been converted into a new long term of Rs. 312.5 million and Rs. 122.88 million. 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. The Company has in current and prior periods successfully restructured/rescheduled various loans amounting to Rs. 2,105 million with respective lenders (including term finance certificate holders), out of which Rs. 1,688 million has been repaid as of 31 December 2016 and as of this date all over-due finances of the Company have been successfully restructured. Further over-due principal and markup of Faysal Bank Limited under PPTFC (individual term finance certificate holder) amounting to Rs. 58.20 million and Rs. 66.58 million has been paid during period under review.

**Short term financing- secured**

The Company has negotiated with its lenders for short term secured financing for operational liquidity and as at 31 December 2016 working capital lines of Rs 1,400 million are availed from a number of banks of which Rs. 1,292 million has been utilized. These facilities have been obtained against pledge of Sugar / Molasses / Bio fuel at margin ranging from 10% to 15% and have resulted in operational liquidity support in the current period.

During the period, the Company has again requested its lenders for working capital lines for financing of its operations in fiscal year 2017 against pledge of stocks of sugar, molasses and bio fuel. The crushing season has been started with very positive note and we are hopeful to achieve the targets.

This condensed interim financial information has been prepared on a going concern basis based on management's expectation that it will continue to be supported by the lenders for operational liquidity and will utilize such funds to increase its operations and generate positive operational results. The condensed 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 has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. The disclosures in this condensed interim financial information does not include all the information reported for full annual financial statements and should be read in conjunction with the annual financial statements for the year ended 30 September 2016.

This condensed interim financial information is being submitted to the shareholders as required by section 245 the Companies Ordinance, 1984.

**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 2016.

#### 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 2016.

#### 5. Risk management policies

Risk management policies are consistent with those disclosed in the financial statements for the year ended 30 September 2016.

#### 6. Taxation

The provision for taxation for the period ended 31 December 2016 has been made on an estimated basis.

#### 7. Long term finances

##### *Under interest/markup arrangements:*

Long term loans - secured

- Interest bearing
- Interest free

7.1

Redeemable capital

- Preference shares (non-voting) - unsecured
- Term finance certificates (non-voting) - secured

Loan from director

7.3

Less: transferred to current maturity

- Long term loans - secured
- Redeemable capital - preference shares (non-voting) - unsecured
- Redeemable capital - term finance certificates (non-voting) - secured

7.2

December 2016 (Rupees in thousand)	September 2016
312,650	312,650
90,417	101,043
403,067	413,693
-	-
-	58,200
-	58,200
169,923	166,863
572,990	638,756
(103,091)	(89,343)
-	-
-	(58,200)
(103,091)	(147,543)
469,899	491,213

**7.1.1** During the last year, the Company has executed a restructuring arrangement for the settlement of their outstanding exposure with National Bank of Pakistan. As per the arrangement, the principal overdue under demand finances amounting to Rs. 481 million has been rescheduled to a term loan repayable in five years with an upfront deposit of 35% of the overdue principal amount and at 100bps over 3 months Kibor (previously 200bps to 300bps over Kibor). The total markup payable under the overdue demand finances (frozen markup) was Rs. 348.83 million out of which Rs. 189.05 million has been restructured to an interest free term loan repayable in five years with an upfront deposit of 35% of the restructured markup amount. The remaining overdue markup of Rs. 159.78 million has been waived off by the bank and recognized as income in profit and loss account. Further the export refinance working capital line has also been renewed up-to Rs. 300 million after an upfront deposit of 35% of outstanding principal and markup. As per the restructuring arrangement, an event of default will occur if the Company fails to make any repayment under the arrangement and the bank shall be entitled to cancel this arrangement and recover all the liabilities outstanding without any further notice.

**7.1.2** The frozen markup restructured to an interest free loan has been recognized at amortized cost using discount rate of 7.49%. The resulting change has been recognized in the profit and loss account.

	Note	December 2016 (Rupees in thousand)	September 2016
As at 01 October	7.1.1	101,043	-
Interest free loan		-	122,883
Present value adjusted on initial recognition of loan		-	(21,170)
Notional finance cost		1,662	5,474
Payment made during the period / year		(12,288)	(6,144)
		<u>90,417</u>	<u>101,043</u>

**7.2** The aggregate current portion of Rs. 103.091 million (30 September 2016: Rs. 147.54 million) includes over-due principal installments aggregating to Rs. 6.14 million (30 September 2016: Rs. 70.49 million).

Further, the lenders as part of financing / restructuring agreements have restricted dividend distribution by the Company until full satisfaction of the entire over-due amount and other amounts due during the tenor of the facilities.

**7.3** This represents unsecured interest free loan obtained from executive director of the Company and is repayable in lump sum after five years.

	Note	December 2016 (Rupees in thousand)	September 2016
As at 01 October		166,863	
Loan from director		-	240,000
Equity portion of loan - Present value adjustment		3,060	(73,137)
	7.3.1	<u>169,923</u>	<u>166,863</u>

**7.3.1** This loan has been recognized at amortised cost using discount rate of 7.54%. The resulting change has been charged to equity (net of tax).

	Note	December 2016 (Rupees in thousand)	September 2016
<b>8. Short term borrowings</b>			
<i>Secured:</i>			
- Cash / Running finances	8.2	500,000	139,053
- Export refinance	8.3	792,253	331,215
- Short term loan		-	-
<i>Unsecured:</i>			
- Short term interest free financing	8.4	462,701	498,931
		1,754,954	969,199
<b>8.1 Types of short term borrowings</b>			
Interest / mark-up based financing		1,192,253	370,268
Islamic mode of financing		100,000	100,000
Interest free financing		462,701	498,931
		1,754,954	969,199

### 8.2 Cash / Running finances

The Company has arranged facilities for short term finances to meet working capital requirements from various bank under mark-up arrangements to the extent of Rs. 525 million (30 Sep 2016: Rs. 525 million). These finances were available at a mark-up ranging from 8.07% to 8.11% (30 Sep 2016: 8.10% to 8.36%) on the outstanding balance or part thereof. Expiry date of these finances is 30 September 2017.

The aggregate cash / running finances are secured against pledge of stock-in-trade and registered hypothecation charge on property, plant and equipment and current assets of the Company.

### 8.3 Export refinance

The Company has arranged facilities for short term finances to meet working capital requirements from various bank under mark-up arrangements to the extent of Rs. 875 million (30 Sep 2016: Rs. 875 million). These finances were available at a mark-up ranging from 8.04% to 8.26% (30 Sep 2016: 8.05% to 9.25%) on the outstanding balance or part thereof. Foreign currency borrowings were available at mark-up rates based on LIBOR ranging from 3.94% to 4.79% (30 Sep 2016: 3.43% to 3.94%). Expiry date of the finances obtained from National Bank of Pakistan is 31 March 2017 and that of Bank Islami Pakistan Limited is 15 July 2017.

The aggregate export finances are secured against pledge of stock-in-trade, lien on export contracts and first charge on current assets of the Company.

### 8.4 Short term interest free financing

It represents unsecured short term interest free financing provided by a sugar agent for financing the operations of the Company.

## 9. Contingencies and commitments

### 9.1 Contingencies

There is no material change in the status of contingencies as set out in note 13.1 to the financial statements of the Company for the year ended 30 September 2016.

### 9.2 Commitments

The Company has the following commitments in respect of:

- (i) Contracts for acquisition of intangible (computer software) amounting to Rs. 20 million (30 September 2016: Rs. 20 million).
- (ii) Contracts for other than capital expenditures Rs. 3.1 million (30 September 2016: Rs. 1.90 million).

## 10. Property, plant and equipment

	Note	December 2016 (Rupees in thousand)	September 2016
Operating assets (owned)	10.1	8,782,829	8,941,151
Operating assets (leased)		-	-
Capital work-in-progress	10.2	60,638	46,409
		<u>8,843,467</u>	<u>8,987,560</u>

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

	Note	December 2016 (Rupees in thousand)	September 2016
<b>10.1 Operating assets (owned)</b>			
Opening book value		8,941,149	9,545,988
Add: Addition	10.1.1	56	10,634
Transfer from assets subject to finance lease		-	0
Adjustment of revaluation surplus		-	-
		<u>8,941,205</u>	<u>9,556,622</u>
Less: Disposal during the period		(23,794)	(32,838)
Depreciation charged during the period		(134,582)	(582,633)
		<u>(158,376)</u>	<u>(615,471)</u>
Closing book value		<u>8,782,829</u>	<u>8,941,151</u>

	Note	December 2016 (Rupees in thousand)	September 2016
<b>10.1.1 Addition during the period/year</b>			
Building on free hold land		-	1,693
Plant and machinery		-	8,374
Water electric and weighbridge equipment		-	209
Furniture and fixture		56	138
Office equipment		-	220
		56	10,634
<b>10.2 Capital work-in-progress</b>			
Civil works		2,900	2,445
Plant and machinery		30,755	30,735
		33,655	33,180
Advances given for capital work in progress		26,983	13,229
		60,638	46,409
<b>11. Investments</b>			
In equity instruments of associates	11.1	984,057	931,674
Available for sale	11.2	27,753	22,682
		1,011,810	954,356
<b>11.1 In equity instruments of associates</b>			
<b>Unquoted</b>			
<b>Shakarganj Food Products Limited</b>			
74,654,596 (30 September 2016: 74,654,596)			
fully paid ordinary shares of Rs. 10 each			
Equity Held: 49.24% (30 September 2016: 49.24%)	11.1.1	984,057	931,674
<b>11.1.1 In equity instruments of associates</b>			
Cost		393,818	393,818
Brought forward amounts of post acquisition reserves		537,856	259,626
		931,674	653,444
Share of movement in reserves during the period / year		-	(8,307)
Share of profit for the period / year			
- before taxation		72,086	291,795
- provision for taxation		(19,703)	(5,258)
		52,383	286,537
		984,057	931,674
Dividends received during the period / year		-	-
Transferred to available for sale		-	-
		-	-
Balance as at period / year end	11.1	984,057	931,674
<b>11.1.2 Investments in associates include goodwill amounting to Rs. 71.26 million (30 September 2016: Rs. 71.26 million).</b>			

**11.1.3** Shakarganj Foods Products Limited ("SFPL") is a public unlisted Company incorporated in Pakistan and is principally engaged in the business of manufacturing, processing and sale of food products. The activities of SFPL are largely independent of the Company. The following table summarizes the financial information of SFPL as included in its own financial statements and the Company's share in the results. The table also reconciles the summarized financial information to the carrying amount of the Company's interest in its associate.

	<b>December 2016 (Rupees in thousand)</b>	September 2016
<b>Percentage interest held</b>	49.24%	49.24%
Non-current assets	2,609,832	2,412,211
Current assets	2,089,278	2,224,746
Non-current liabilities	(762,557)	(742,680)
Current liabilities	(2,082,895)	(2,146,891)
Net assets (100%)	1,853,658	1,747,386
Company's share of net assets	912,796	860,413
Goodwill recognized	71,261	71,261
Carrying amount of interest in associate	984,057	931,674
Revenue	3,181,996	10,106,352
Profit from operations	106,377	581,883
Other comprehensive income	-	(16,870)
Total comprehensive income (100%)	106,377	565,013
<b>Company's share of total comprehensive income</b>	52,383	278,212

The financial year end of SFPL is 30 September and above figures are based on unaudited financial statements as of 31 December 2016.

**11.1.4** 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 19.44% - 19.77%, EBITDA of 6.83% - 7.21%, terminal growth rate of 2% and discount rate of approximately 10.69%.



	Note	December 2016 (Rupees in thousand)	September 2016
<b>11.2 Available for sale</b>			
<b>Associated / related companies</b>			
<b><u>Quoted - related party</u></b>			
<i>Crescent Steel and Allied Products Limited:</i>			
180,000 (30 September 2016: 180,000)			
fully paid ordinary shares of Rs. 10 each	11.2.1	15,921	15,921
Equity held: 0.23% (30 September 2016: 0.23%)			
Market value - Rs. 27.8 million			
(30 September 2016: 22.7 million)			
<b><u>Unquoted - associated company</u></b>			
<i>Crescent Standard Telecommunications Limited:</i>			
300,000 (30 September 2016: 300,000)			
fully paid ordinary shares of Rs 10 each		3,000	3,000
<b>Others</b>			
<b><u>Unquoted</u></b>			
<i>Crescent Group Services (Private) Limited:</i>			
220,000 (30 September 2016: 220,000)			
fully paid ordinary shares of Rs 10 each		2,200	2,200
<i>Innovative Investment Bank Limited</i>			
51,351 (30 September 2016: 51,351)			
fully paid ordinary shares of Rs 10 each		-	-
		21,121	21,121
Less: Cumulative fair value reserve	11.2.1	11,832	6,761
Less: Cumulative impairment losses recognized	11.2.2	(5,200)	(5,200)
Fair value gain		6,632	1,561
		27,753	22,682
<b>11.2.1 Cumulative fair value reserve</b>			
As at 01 October		6,761	(16,247)
Disposal of shares		-	15,270
Fair value adjustment during the period / year		5,071	7,738
As at period / year ended		11,832	6,761
<b>11.2.2 Cumulative impairment losses recognized</b>			
As at 01 October		5,200	5,200
Reversal during the period / year		-	-
As at period / year ended		5,200	5,200
<b>11.2.3 Investments with face value of Rs. 575.55 million (30 September 2016: Rs. 575.55 million) are pledged as security against short term borrowings.</b>			

**12. Stock-in-trade**

	<b>December 2016 (Rupees in thousand)</b>	September 2016
Raw materials	387,590	136,245
Work-in-process	95,852	12,489
Finished goods	658,285	198,916
	<b>1,141,727</b>	<b>347,650</b>

**12.1** Raw materials and finished goods amounting to Rs. 994.25 million (30 September 2016: Rs. 240.54 million) are pledged with lenders as security against short term borrowings.

**13. Cash and bank balances**

	<b>Note</b>	<b>December 2016 (Rupees in thousand)</b>	September 2016
<i>At banks on:</i>			
– Saving accounts			
– Pak rupees	13.1	132	132
– Foreign currency	13.2	70	74
		<b>202</b>	<b>206</b>
– Current accounts		<b>145,945</b>	<b>17,674</b>
		<b>146,147</b>	<b>17,880</b>
In hand		<b>2,328</b>	<b>260</b>
In transit		<b>-</b>	<b>500</b>
		<b>148,475</b>	<b>18,640</b>

**13.1** Profit on balances in saving accounts ranges from 3.50% to 4.10% (30 September 2016: 3.50% to 4.10%) per annum.

**13.2** Foreign currency account includes Euros 635 (30 September 2016: Euros 635).



	Segment assets		Segment liabilities	
	31 December 2016	30 September 2016 (Rupees in thousand)	31 December 2016	30 September 2016
<b>14.3 Segment assets and liabilities</b>				
Sugar	6,418,371	5,841,191	4,556,890	4,010,295
Bio Fuel	2,201,579	1,977,339	1,534,072	1,315,885
Bio Power	238,748	257,608	25,020	28,235
Building Materials	47,774	51,682	32,452	33,820
Textile	360,719	348,636	132,632	133,072
Farms	689,245	685,223	17,903	17,090
Others	3,589	2,838	1,013	1,070
Unallocated	1,754,733	1,675,279	336,412	329,096
	<b>11,714,758</b>	<b>10,839,796</b>	<b>6,636,394</b>	<b>5,868,563</b>

## 15. Other income

### Income from financial assets

Profit on sale of 'Available for Sale' investments	-	31,682
Return on bank deposits	5	5

### Income from non-financial assets

Scrap sales		4,961
Profit on sale of property, plant and equipment	3,415	1,774
Liabilities written back	11,306	156,049
Rental income	6,375	1,330
Fair value gain on crops	7,886	-
Others	1,657	2,004
	6,279	
	<b>36,918</b>	<b>166,118</b>
	<b>36,923</b>	<b>197,805</b>

## 16. Fair value measurement of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset either directly (that is, derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs (Level 3)

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Note	Carrying amount					Fair value				
	Available for sale	Trade and other receivables	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
	----- Rupees in thousands -----									
31 December 2016										
Financial assets - measured at fair value										
11	Available for sale	27,753	-	-	-	27,753	22,682	-	-	22,682
	Biological assets	-	23,066	-	-	23,066	-	-	23,066	23,066
		27,753	23,066	-	-	50,819	22,682	-	23,066	45,748
Financial assets - not measured at fair value										
	Long term deposits	-	36,531	-	-	36,531	-	-	-	-
	Trade debts	-	9,772	-	-	9,772	-	-	-	-
	Advances, deposits, prepayments and other receivables	-	42,635	-	-	42,635	-	-	-	-
13	Cash and Bank balances	-	-	148,475	-	148,475	-	-	-	-
		-	88,938	148,475	-	237,413	-	-	-	-
Financial liabilities - measured at fair value										
		-	-	-	-	-	-	-	-	-
Financial liabilities - not measured at fair value										
7	Long term loans	-	-	-	572,990	572,990	-	572,990	-	572,990
8	Short term borrowings	-	-	-	1,754,954	1,754,954	-	1,754,954	-	1,754,954
	Trade and other payables	-	-	-	1,353,260	1,353,260	-	-	-	-
12	Accrued mark-up	-	-	-	109,454	109,454	-	-	-	-
		-	-	-	3,790,658	3,790,658	-	2,327,944	-	2,327,944

**17. Earnings per share****17.1 Basic earnings per share**

		<b>December 2016</b>	December 2015
Profit for the period	<b>Rupees</b>	102,060,000	116,734,000
Weighted average number of ordinary shares in issue during the period	<b>Number</b>	110,000,002	69,523,798
Earnings per share - basic	<b>Rupees</b>	0.93	1.68

**17.2 Diluted earnings 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. In the prior period, the Company had a commitment to convert 1,000 preference shares into 167 ordinary shares of Rs 10 each. These preference shares have been redeemed in cash during the period, therefore, no figure for diluted EPS is presented.

		<b>December 2016</b>	December 2015
Profit for the period		102,060,000	116,734,000
Profit used to determine diluted earnings per share	<b>Rupees</b>	102,060,000	116,734,000
Weighted average number of ordinary shares in issue during the period	<b>Number</b>	110,000,002	69,523,798
Assumed conversion of convertible preference shares into ordinary shares	<b>Number</b>	-	5,774,108
Weighted average number of ordinary shares for diluted earnings per share	<b>Number</b>	110,000,002	75,297,906
Earnings per share - diluted	<b>Rupees</b>	0.93	1.55

The effect of conversion of preference shares into ordinary shares was anti-dilutive in prior period, accordingly the diluted EPS was restricted to the basic EPS.

**18. Cash generated in operating activities**

	<b>December 2016 (Rupees in thousand)</b>	December 2015
Profit before taxation	131,978	114,650
Adjustment for:		
Depreciation/amortization of:		
- property, plant and equipment	134,582	104,182
- intangible assets	45	18
Liabilities no longer payable written back	(6,375)	(156,049)
Gain on sale of property, plant and equipment	(11,306)	(1,774)
Interest from bank deposits	(5)	(5)
Provision for employees' retirement benefits	-	4,140
Net loss from valuation of livestock	42	2,028
Share of profit from associates	(72,086)	(86,471)
Finance cost	35,000	41,464
	<b>79,897</b>	<b>(92,467)</b>
Profit before working capital changes	<b>211,875</b>	<b>22,183</b>
<i>Effect on cash flow due to working capital changes:</i>		
Increase in stores and spares	(13,828)	(11,956)
Increase in stock in trade	(794,077)	(470,436)
Decrease / (increase) in biological assets - net	(1,656)	7,410
Decrease in trade debts	3,382	2,509
Increase in loans, advances, prepayments and other receivables	(35,973)	(43,327)
Increase in trade and other payables	172,483	348,592
	<b>(669,669)</b>	<b>(167,208)</b>
Cash used in operating activities	<b>(457,794)</b>	<b>(145,025)</b>

## 19. Related party disclosures

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

Relationship with the company	Nature of transactions	December 2016 (Rupees in thousand)	December 2015
i. Related parties			
Crescent Steel & Allied Products Limited (CSAPL)	Purchase of goods	82	-
	Sale of goods		
	Salary expense and other common expenses	634	925
Shakarganj Energy (Private) Limited - associated undertaking of CSAPL	Purchase of electricity & steam	208,298	-
	Sale of bagasse & water	197,829	-
	Rent paid against use of boiler	-	5,000
	Advances received for bagasse	-	70,000
	Purchase of store items	197	-
Crescent Hadeed (Private) Limited associated undertaking of CSAPL	Sale of electricity	333	
	Services rendered	-	200
	Sale of material	-	1,643
ii. Associated undertakings			
Shakarganj Food Products Limited	Sale of goods	27,825	7,924
	Salary expense and other common expenses	416	717
Premier Insurance Limited	Insurance expenses	510	1,467
iii. Post employment benefit plans			
	Expenses charged in respect of retirement benefit plans	5,417	2,783
	Transactions with pension and gratuity fund accounts		
	-Funds received	113,425	-
	-Funds paid	113,425	-
	-Markup expense	8,539	-
iv. Key management personnel			
	Salaries and other employment benefits	29,167	20,213

## 20. Date of authorisation of issue

This condensed interim financial information was authorized for issue on 31 January 2017 by the board of directors of the Company.



**21. Events after the balance sheet date**

There are no subsequent events occurring after balance sheet date.

**22. Corresponding figures**

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison and better presentation as per reporting framework however, no significant re-arrangements have been made.

  
**Chief Executive**

  
**Chairman**

  
**Chief Financial Officer**

## ڈائریکٹرز کا جائزہ

میں 31 دسمبر 2016ء کو ختم ہونے والی پہلی سہ ماہی کے لئے کمپنی کے غیر مربوط شدہ منجمد عبوری مالیاتی معلومات بخوشی پیش کر رہا ہوں۔

مالی اور آپریشنل کارکردگی:

آپریٹنگ کارکردگی کا خلاصہ:

زیر جائزہ مدت کے دوران، شوگر ڈویژن نے اچھی کارکردگی کا مظاہرہ کیا اور کمپنی نے مالی سال 2016 کی پہلی سہ ماہی میں بعد از ٹیکس منافع 116.73 ملین روپے کے مقابلے بعد از ٹیکس منافع 102.06 ملین روپے کمایا۔ کمپنی کے مجموعی مالیاتی نتائج بہتر تھے، بائیو فیول ڈویژن ابھی رفتار پکڑنے کی کوشش کر رہا ہے کیونکہ برآمد اگلے ماہ سے شروع کی جائے گی۔ گنے کی کرشنگ زیر جائزہ مدت کے دوران 260 فیصد سے زیادہ تک بہتر ہوئی اور چینی کی فروخت کی بہتر قیمت کے ساتھ، ہمارے شوگر ڈویژن سے 107.62 ملین روپے آپریشنل منافع حاصل ہوا۔ کرشنگ سیزن گزشتہ سیزن کے مقابلے مثبت نوٹ کے ساتھ نصف ماہ جلدی شروع کیا گیا تھا تاہم جلد آغاز سے ریکوری میں کچھ کمی واقع ہونے کا خدشہ ہے جس کا زیادہ پیداوار سے ازالہ ممکن ہے۔

گنے کی فصل کے ابتدائی سروے سے ظاہر ہوتا ہے کہ گنے کی پیداوار بہتر رہنے کی توقع ہے اور اس پیش گوئی کے ساتھ ہمیں یقین ہے کہ مجموعی طور پر کرشنگ گزشتہ سال کے مقابلے کہیں بہتر ہوگی۔ بین الاقوامی اور مقامی چینی کی بہتر قیمتوں کا مطلب ہے کہ صنعت کا شنکاروں کو بروقت ادائیگی کر سکتی ہے۔ چینی کی قیمتوں میں مسلسل اضافہ کاروبار حان ظاہر کرتا ہے کہ ہم باقاعدہ طور پر فروخت جاری رکھیں گے اور اس پالیسی سے بہتری آنے اور لیکویڈیٹی مسائل پر قابو پانے اور کا شنکاروں کو بروقت ادائیگی کو بہتر بنانے کے قابل ہو جائیں گے۔ بائیو فیول کاروبار میں گزشتہ چند سالوں کے دوران، دنیا بھر میں بائیو فیول کی پریشان کن قیمتوں کی وجہ سے کمی کاروبار حان ظاہر ہوا ہے تاہم، حال ہی میں کچھ بہتری آئی ہے اور ہمیں امید ہے کہ شوگر کاروبار کی طرح بائیو فیول کاروبار بھی رفتار پکڑنے میں کامیاب ہو جائے گا اور بہتر ماحول کی مدد سے ہم ٹریک پرواپس آنے کے قابل ہو جائیں گے۔

کاروباری شعبہ جات:

شوگر ڈویژن:

ہمارے شوگر ڈویژن نے 552,132 میٹرک ٹن گنا کرش اور 8.79 فیصد کی اوسط ریکوری پر 46,205 میٹرک ٹن چینی پیدا کی۔ یہ چینی کی پیداوار گزشتہ سہ ماہی جب ہم نے 9.97 فیصد کی اوسط ریکوری پر 152,775 میٹرک ٹن گنے سے 13,706 میٹرک ٹن چینی پیدا کی اس کے مقابلے میں 237 فیصد مجموعی اضافہ تھا۔ انتظامیہ اچھے معیاری گنے کی خریداری کو بڑھا کر کرشنگ کے ساتھ ساتھ پیداوار کی اعلیٰ ترین سطح کے حصول کے لئے کوشش کر رہی ہے۔

### بائیو فیول ڈویژن:

ہمارے گزشتہ سالانہ جائزے میں متذکرہ مالی سال 2016 میں شکر گنج بائیو فیول اور متبادل توانائی پلانٹس کو بند کرنے پر مجبور تھی۔ بائیو فیول پلانٹس نے دوبارہ پیداوار شروع کر دی ہے تاہم ابھی بھی رفتار پکڑ رہا ہے اور برآمد چند مفتوں کے اندر اندر شروع کر دی جائے گی اور ہمیں امید ہے کہ لیکویڈٹی مسائل پر قابو پا کر کافی خام مال اکٹھا کر لیا جائے گا۔ اس ڈویژن نے گزشتہ سال کی اسی مدت میں 2.05 ملین لیٹر کے مقابلے میں زیر جائزہ مدت کے دوران 1.75 ملین لیٹر تیار کیا۔ کمپنی بائیو فیول کاروبار میں پیداوار کے اہداف کو پورا کر لے گی اور دوبارہ بائیو فیول مصنوعات کی بہترین برآمد کنندہ بن جائے گی۔ انتظامیہ اچھے مثبت اعداد کے لیے مارجن پیدا کرنے کی خاطر مناسب قیمت پر مولا سس کے حصول کے لیے محنت کر رہی ہے۔

### بائیو پاور ڈویژن:

بائیو پاور ڈویژن نہیں چلایا گیا تھا اور بائیو پاور جنریشن، ہمارے بوائلرز میں بائیو گیس کے استعمال کے برعکس فیسکو سے بائیو پاور کی کم ادینگی اور بائیو فیول پلانٹس کی بندش کی وجہ سے صفر (1QFY16: صفر) رہی تھی۔ اس کاروبار کی سرگرمیوں کو دوبارہ شروع کرنے کی بابت بھاری مرمت اور بحالی کے مد نظر کمپنی دستیاب مارجن کی صورت میں آپریشنز پر نظر ثانی کرے گی۔

### بلڈنگ میٹریلز ڈویژن:

پارٹیکل بورڈ کی کم قیمتوں اور سرپلس بگاس کی عدم دستیابی کے پیش نظر یہ ڈویژن گزشتہ سال بند کر دیا گیا۔ تاہم، اب قیمتوں میں کچھ بہتری کے پیش نظر اگلے ماہ سے پیداوار شروع ہونے کی توقع ہے کیونکہ انتظامیہ بلڈنگ میٹریلز کاروبار میں سرپلس بگاس استعمال کرنے کی منصوبہ بندی کر رہی ہے۔

### ٹیکسٹائل ڈویژن:

ہمارے ٹیکسٹائل ڈویژن میں یارن کی پیداوار مالی سال 2016 پہلی سہ ماہی میں 0.76 ملین کلوگرام کے مقابلے میں 0.92 ملین کلوگرام تک بڑھ گئی ہے۔ اگرچہ یارن کی قیمتیں، خام مال کی لاگت کی وجہ سے بڑھنے کی توقع ہے، طویل لوڈ شیڈنگ اس شعبہ کی پیداوار میں رکاوٹ پڑ رہی ہے۔ تاہم، ہمارے اس کاروبار کی آمدنی میں یقینی حصول کے لئے بہتر مارکیٹنگ اور مینوفیکچرنگ آپریشن کو بجلی کی فراہمی بہتر بنا کر، حالیہ درپیش مسائل سے چھٹکارا ملنے کی توقع ہے۔

### مستقبل کا نقطہ نظر:

پاکستان کی معیشت ترقی کر رہی ہے، گزشتہ آٹھ سالوں میں اپنی سب سے بلند شرح نمو اور افراط زر دہائی کی اپنی کم ترین سطح تک گر گیا ہے اور ہدف سے کم رہنے کی توقع ہے۔ قومی معیشت تیزی سے بڑھنے کی امید ہے اور اس وقت قومی ایکویٹی مارکیٹ 48,000 پوائنٹس مارک سے تجاوز کر کے بھارت اور چین جیسے علاقائی دیوز سے بہتر

کارکردگی کا مظاہرہ کیا ہے اور دنیا بھر میں پانچویں نمبر پر رہی ہے۔ یہ اضافہ بنیادی طور پر دونوں قومی اور صوبائی سطحوں پر حکومت کی طرف سے چین پاکستان اقتصادی راہداری (CPEC) کے ساتھ ساتھ مثبت پالیسیوں کے ذریعے کارفرما ہے۔ CPEC تحت منصوبوں سے صنعت میں ترقی اور سروس سیکٹر میں اضافہ سے ملک میں کافی حد تک بجلی کی پیداوار میں اضافہ کی توقع ہے۔

متذکرہ بالا یہ تمام عوامل بھی کمپنی پر مثبت اثر انداز ہو گئے اور انتظامیہ تمام شعبوں خاص طور پر جہاں مارجن دستیاب ہیں وہاں بہتر نتائج حاصل کرنے کی پوری کوشش کرے گی۔ انتظامیہ اپنے بائیو فیول کاروبار اور رواں شوگر سیزن پر خصوصی غور کے ساتھ مالی سال 2017 کے آئندہ نو مہینوں میں شوگر اور بائیو فیول کاروباروں میں نمایاں بہتری کے لئے پُر اعتماد ہے۔ ڈسٹری کا مستقبل کا نقطہ نظر اچھے معیاری مولا سس کی دستیابی پر انحصار کرتا ہے اور انتظامیہ اچھے مثبت اعداد کے لئے کافی مارجن پیدا کرنے کے لئے مناسب قیمت پر اپنے مولا سس پول، مولا سس کی وافر مقدار میں اضافہ کرنے کے لئے محنت کر رہی ہے۔ بائیو فیول آپریشنز دوبارہ شروع کرنے کے بعد، CO<sub>2</sub> آپریشنز بھی اگلے ماہ کے آخر میں شروع ہونے کی توقع ہے۔

کپاس کی قیمتوں میں غیر معمولی اضافہ اور ملک میں کپاس کی پیداوار میں کمی کی وجہ سے ٹیکسٹائل ڈویژن دباؤ کے تحت رہنے کی توقع ہے۔ اگرچہ پاران کی قیمتیں، خام مال کی لاگت، واپڈا سے بجلی کی غیر مسلسل فراہمی کی وجہ سے پیداواری نقصان بڑھنے کی توقع ہے، طویل لوڈ شیڈنگ اس شعبہ کی پیداوار میں رکاوٹ ڈال رہی ہے۔ تاہم، ہمارے اس کاروبار کی آمدنی میں یقینی حصول کے لئے بہتر مارکیٹنگ اور مینوفیکچرنگ آپریشن کو بجلی کی فراہمی بہتر بنا کر، حالیہ درپیش مسائل سے چھٹکارا ملنے کی توقع ہے۔

جیسا کہ ہماری گذشتہ سالانہ رپورٹ میں وضاحت کی گئی ہے کہ کمپنی 2009 سے ایک سخت لیکویڈیٹی پوزیشن میں رہی ہے۔ زیر جائزہ مدت کے دوران، کمپنی نے مالی سال 2017 میں اپنے آپریشن کی فنائنگ کے لئے ورکنگ کیپٹل لائنوں کی خاطر اپنے قرض دہندہ سے دوبارہ درخواست کی ہے۔ کمپنی کے قرض دہندہ کے ساتھ بات چیت جس کی منسلکہ غیر آڈٹ شدہ مالی معلومات کے نوٹ 1.2 میں وضاحت کی گئی کو کامیابی سے حتمی شکل دی جا رہی ہے۔ کمپنی کو یقین ہے کہ گونگ کنسرن کو جاری رکھنے میں اسے اپنی صلاحیت پر کوئی شکوک و شبہات نہیں ہیں جیسا کہ اس نے شوگر کے کاروبار کی بحالی میں ثابت کیا اور مستقبل کے لئے آپریشن جاری رکھنے کی مدد میں کافی آپریٹنگ صلاحیتیں رکھتی ہے۔ انتظامیہ کی طرف سے اٹھائے گئے اقدامات اور آئندہ کی منصوبہ بندی منجمد عبوری مالی معلومات کے نوٹ 1.2 میں وضاحت کی گئی ہے۔

منجانب بورڈ

انجم ایم سلیم

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