



**Shakarganj Limited**

GROWING UP  
FOR THE FUTURE

Condensed Interim Report  
For the Nine Months Period  
Ended 30 June 2017



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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	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 (Independent)	Khawaja Jalaluddin Roomi
7. Non-Executive Director	Muhammad Arshad
8. Non-Executive Director (Independent)	Sheikh Asim Rafiq

### Audit Committee

Chairman	Khalid Bashir
Member	Hajerah Ahsan Saleem
Member	Khawaja Jalaluddin Roomi (Independent)
Member	Sheikh Asim Rafiq (Independent)

### 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

Executive Floor, IT Tower, 73 E1,  
Hali Road, Gulberg III,  
Lahore, Pakistan  
UAN : 042 111 111 765  
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 and PC yarns ranging from 10/s to 31/s and doubled cotton yarn ranging from 8 to 15 TPI. The installed capacity is 15,360 spindles for cotton and PC 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 the unaudited condensed interim financial information of the Company for the nine months period ended 30 June 2017.

### Financial and Operational Performance:

#### Summary of operating performance:

During the period under review of fiscal year 2017, Sugar Division reported outstanding performance and the Company earned an overall after tax profit of Rs. 935 million as compared to an after tax profit of Rs. 147 million in the corresponding period of fiscal year 2016. Bio fuel business also gained momentum. We are hopeful that the Company will meet its production targets for the Bio Fuel Division. Sugarcane crushing improved by more than 240% during the period under review, and sugar selling prices maintained their upward trend and allowed us to sell a large proportion of our total production at healthy margins, allowing the Sugar Division to achieve historically high level of operational profit of Rs. 870 million. Although the crushing season, this year, started two weeks sooner compared to the last season and the trade off in recovery due to early start up was compensated by higher prices.

The Company earned an overall gross profit of Rs. 1,236 million compared to a gross loss of Rs. 67 million in the same period last year. Despite all the challenges, your Company achieved a historically high level of operational profit, and with the associated company contributing Rs. 112 million, after tax profit reached at Rs. 935 million. In spite of continued liquidity pressures, the Company kept improving its key operating indicators and is hopeful for revival of other business segments as well where margins will be available in the last quarter of fiscal year 2017.

During previous few years, due to worldwide decrease in overall fuel prices, the price of bio fuel also suffered setback. However, it has seen improvements recently and coupled with falling molasses prices, 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 environment we will be back on track in the area.

### Business Segments:

#### Sugar Division:

Due to better sugarcane crop, the crushing campaign was started fairly early on 14 November 2016 and the production of sugar was much higher. The Sugar Division crushed 1,543,849 MT (3QFY16: 450,804 MT) of sugarcane to produce 144,460 MT (3QFY16: 45,707 MT) of sugar at an average recovery rate of 9.36 percent (3QFY16: 10.16 percent) resulting in a 216 percent increase in sugar production. As discussed in our first quarter review, the management sold the sugar on regular basis which resulted in significant increase in gross profitability of this business.

#### Bio-Fuel Division:

The production of this division increased to 32.75 million litres (3QFY16: 10.20 million litres). During the period under review, the performance of Bio-Fuel Division was much better and the trend was improving in terms of productions and profitability. Better crushing compared to the corresponding period last year improved the overall raw material scenario in the area. During the period, exports accounted for 93.8 percent of total bio fuel sales.

Bio-Power Division:

The Bio-Power Division was not operative due to non-availability of raw material as well as due to heavy repair and maintenance involved to restart the power generation. Therefore, there was no bio power generation as was the case in 3QFY16.

Building Materials Division:

In view of better crushing and availability of surplus bagasse, the production of this division started during the period and we produced 1,578 cubic metres (3QFY16: Nil). The production is expected to improve further in last quarter of fiscal year 2017.

Textile Division:

Yarn production increased to 2.60 million kg (3QFY16: 2.47 million kg). The increase in production was mainly attributable to full operational days during the current period compared to corresponding period.

Outlook:

The management is confident for improvements in bio fuel business in the remaining period of fiscal year 2017. The future outlook of the distillery depends on continuous availability of good quality molasses and the management is striving to add bulk quantity of molasses at reasonable cost to create enough margins for healthy bottom line. The textile division is expected to remain under pressure due to increase in cotton prices and shortfall in cotton production in the country.

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 successfully renewed its working capital lines for financing of its operations in fiscal year 2017. Negotiations with the Company lenders were successfully finalized as fully explained in note 1.2 to the attached condensed interim financial information. Negotiations are also in process for the long term financing with one of the Company's lenders and hopefully this would be finalized soon. The Company has also announced the right issue to raise finances to the tune of Rs. 975 million to meet its working capital requirements. The Company remains committed to its best efforts to keep the operational profitability going on and to improve further its liquidity scenario.

On behalf of the Board



Anjum M. Saleem  
Chief Executive Officer

Date: 26 July 2017

## CONDENSED INTERIM BALANCE SHEET

As at 30 June 2017 (Un-Audited)

	Note	30 June 2017 (Un-audited) (Rupees in thousand)	30 September 2016 (Audited)
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized capital			
150,000,000 (30 September 2016: 150,000,000)			
ordinary shares of Rs 10 each		1,500,000	1,500,000
50,000,000 (30 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			
110,000,000 (30 September 2016: 110,000,000)			
ordinary shares of Rs 10 each		1,100,000	1,100,000
Equity portion of director loan - net of tax		49,892	57,205
Reserves		926,375	906,114
Accumulated loss		(906,248)	(2,034,861)
		<u>1,170,019</u>	<u>28,458</u>
Surplus on revaluation of property, plant and equipment		4,756,638	4,942,775
<b>Non-current liabilities</b>			
Long term finances	7	427,180	491,213
Deferred taxation		763,521	810,042
		<u>1,190,701</u>	<u>1,301,255</u>
<b>Current liabilities</b>			
Current portion of long term liabilities		123,341	147,543
Short term borrowings	8	1,820,356	969,199
Trade and other payables		2,435,017	3,232,021
Accrued finance cost		123,214	218,545
		<u>4,501,928</u>	<u>4,567,308</u>
<b>Contingencies and commitments</b>			
	9		
		<u>11,619,286</u>	<u>10,839,796</u>

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

  
Chief Executive

  
Chairman

  
Chief Financial Officer

	Note	30 June 2017 (Un-audited) (Rupees in thousand)	30 September 2016 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	8,586,937	8,987,560
Intangible assets		662	685
Biological assets		8,412	7,734
Investments - related parties	11	1,086,344	954,356
Employees' retirement benefits		38,927	38,927
Long term loans, advances and deposits		36,531	36,531
		9,757,813	10,025,793
<b>Current assets</b>			
Biological assets		8,553	13,718
Stores, spares and loose tools		69,657	70,879
Stock-in-trade	12	1,422,212	347,650
Trade debts		20,098	13,154
Loans, advances, deposits, prepayments and other receivables	13	287,643	349,962
Cash and bank balances		53,310	18,640
		1,861,473	814,003
		11,619,286	10,839,796



Chief Executive



Chairman



Chief Financial Officer

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

For the Nine Months Ended 30 June 2017 (Un-Audited)

		Quarter ended		Nine months ended	
	Note	30 June 2017	30 June 2016	30 June 2017	30 June 2016
		----- (Rupees in thousand) -----			
Sales - net	14.1	1,525,161	689,699	10,261,984	4,151,655
Cost of sales	14.2	(1,523,756)	(795,757)	(9,025,881)	(4,219,050)
<b>Gross profit / (loss)</b>		1,405	(106,058)	1,236,103	(67,394)
Administrative expenses		(64,752)	(46,953)	(202,207)	(168,736)
Distribution and selling costs		(57,906)	(11,878)	(91,298)	(52,961)
Other operating expenses		4,363	(10,938)	(66,028)	(45,262)
Other income		23,216	120,124	129,219	430,188
<b>Profit / (loss) from operations</b>		(93,674)	(55,703)	1,005,789	95,834
Finance cost		(45,490)	(35,737)	(126,550)	(145,896)
Share of income from associate		34,451	31,761	166,618	218,113
<b>Profit / (loss) before taxation</b>		(104,713)	(59,679)	1,045,857	168,052
Taxation					
- Company		(221)	5,859	(55,803)	5,467
- Associates		(14,734)	(5,909)	(54,891)	(26,402)
		(14,955)	(50)	(110,694)	(20,935)
<b>Profit / (loss) after taxation</b>		(119,668)	(59,729)	935,163	147,117
<b>Earnings / (loss) per share</b>					
- basic and diluted	Rupees	(1.09)	(0.54)	8.50	1.55

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

  
Chief Executive

  
Chairman

  
Chief Financial Officer

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the Nine Months Ended 30 June 2017 (Un-Audited)

	Quarter ended		Nine months ended	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	----- (Rupees in thousand) -----			
<b>Profit / (loss) after taxation for the period</b>	(119,668)	(59,729)	935,163	147,117
<b><u>Other comprehensive income</u></b>				
<b>Item that are or may be subsequently reclassified to profit or loss account</b>				
Fair value gain on 'Available for sale' investments	(2,111)	(66,438)	20,261	36,968
Share of other comprehensive (loss) / income of associates	-	-	-	(6)
	(2,111)	(66,438)	20,261	36,962
<b>Total comprehensive income / (loss) for the period</b>	(121,779)	(126,167)	955,424	184,079

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

  
Chief Executive

  
Chairman

  
Chief Financial Officer

## CONDENSED INTERIM CASH FLOW STATEMENT

For the Nine Months Ended 30 June 2017 (Un-Audited)

		Nine months ended	
	Note	30 June 2017 (Rupees in thousand)	30 June 2016
<b>Cash flows from operating activities</b>			
Cash used in operations	16	(496,058)	(131,631)
Finance cost paid		(214,670)	(246,192)
Taxes paid		(80,182)	(67,542)
<b>Net cash used in operating activities</b>		<b>(790,910)</b>	<b>(445,365)</b>
<b>Cash flows from investing activities</b>			
Fixed capital expenditure		(23,642)	(1,970)
Dividend received		-	4,488
Proceeds from sale of investment		-	250,490
Proceeds from sale of right allotment letters		-	31,682
Proceeds from sale of livestock		313	1,023
Proceeds from sale of property, plant and equipment		85,987	68,090
<b>Net cash generated from investing activities</b>		<b>62,658</b>	<b>353,803</b>
<b>Cash flows from financing activities</b>			
Proceeds against right shares		-	404,762
Short term borrowings - net		851,157	(1,355,568)
Long term finances obtained		-	200,000
Long term finances repaid		(88,235)	(667,034)
<b>Net cash generated from / (used in) financing activities</b>		<b>762,922</b>	<b>(1,417,840)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>34,670</b>	<b>(1,509,402)</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>18,640</b>	<b>1,528,456</b>
<b>Cash and cash equivalents at end of period</b>		<b>53,310</b>	<b>19,054</b>

The annexed notes 1 to 20 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 Nine Months Ended 30 June 2017 (Un-Audited)

FOR THE NINE MONTHS ENDED 30 JUNE 2017 (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's loan - net of tax	General	Dividend Equalization	Equity Investment Market Value Equalization	Accumulated loss	Total
<b>Balance as at 01 October 2015</b>	695,238	243,282	(2,331)	(16,247)	155,930	-	410,606	22,700	83,000	(2,303,988)	(711,810)
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	-	-	-	-	-
Profit for the nine months period ended 30 June 2016	-	-	-	-	-	-	-	-	-	147,117	147,117
Other comprehensive income for the period:	-	-	-	-	-	-	-	-	-	-	-
Fair value gain on Available for sale investments	-	-	(6)	-	36,968	-	-	-	-	-	36,968
Share of other comprehensive income of associates	-	-	(6)	-	-	-	-	-	-	-	(6)
Surplus transferred to accumulated losses on account of incremental depreciation on property, plant and equipment - net of tax	-	-	-	-	-	-	-	-	-	-	-
<b>Transactions with owners of the Company, recognized directly in equity</b>	-	-	-	-	-	-	-	-	-	-	-
Proceeds from right shares	404,762	-	-	-	-	-	-	-	-	-	404,762
Equity portion of loan from director - net of tax	-	-	-	-	-	49,277	-	-	-	-	49,277
Equity portion of land transferred to accumulated losses	-	-	-	-	-	(2,046)	-	-	-	-	-
<b>Balance as at 30 June 2016</b>	1,100,000	243,282	(2,337)	20,721	155,930	47,231	410,606	22,700	83,000	(1,966,403)	114,730
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	-	-	-	-	-
Loss for the six months period ended 30 September 2016	-	-	-	-	-	-	-	-	-	(165,010)	(165,010)
Other comprehensive income for the period:	-	-	-	-	-	-	-	-	-	-	-
Fair value gain on Available for sale investments	-	-	-	-	-	-	-	-	-	-	-
Remuneration gain on employee retirement benefits	-	-	-	-	-	-	-	-	-	26,732	26,732
Loss realized on disposal of Available for sale investments	-	-	-	-	-	-	-	-	-	-	-
Transferred to profit and loss account	-	-	-	-	-	-	-	-	-	-	-
Share of other comprehensive income of associates	-	-	(8,301)	-	15,270	-	-	-	-	-	15,270
Surplus transferred to accumulated losses on account of disposal of land	-	-	-	-	-	-	-	-	-	-	-
- incremental depreciation on property, plant and equipment - net of deferred tax	-	-	-	-	-	-	-	-	-	4,892	4,892
<b>Transactions with owners of the Company, recognized directly in equity</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	-	-	-	71,866	71,866
Incremental cost on the issuance of right shares	-	(5,527)	-	-	-	-	-	-	-	-	(5,527)
Equity portion of loan from director - net of tax	-	-	-	-	-	7,928	-	-	-	-	7,928
Equity portion of land transferred to accumulated losses	-	-	-	-	-	2,046	-	-	-	(2,046)	-
<b>Balance as on 30 September 2016</b>	1,100,000	237,755	(10,638)	6,761	155,930	57,205	410,606	22,700	83,000	(2,034,861)	28,458
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	-	-	-	-	-
Profit for the nine months period ended 30 June 2017	-	-	-	-	-	-	-	-	-	935,163	935,163
Other comprehensive income for the period:	-	-	-	-	-	-	-	-	-	-	-
Fair value gain on Available for sale investments	-	-	-	-	-	-	-	-	-	-	-
Gain realized on disposal of Available for sale investment transferred to profit and loss	-	-	-	-	-	-	-	-	-	-	-
Surplus transferred to accumulated losses on account of disposal of property, plant and equipment	-	-	-	-	-	-	-	-	-	935,163	935,424
- incremental depreciation on property, plant and equipment - net of deferred tax	-	-	-	-	-	-	-	-	-	4,286	4,286
<b>Transactions with owners of the Company, recognized directly in equity</b>	-	-	-	-	-	-	-	-	-	181,851	181,851
Equity portion of loan from director - net of tax	-	-	-	-	-	(7,313)	-	-	-	-	-
<b>Balance as at 30 June 2017</b>	1,100,000	237,755	(10,638)	27,022	155,930	49,892	410,606	22,700	83,000	(906,248)	1,170,019

The annexed notes 1 to 20 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 Nine Months Ended 30 June 2017 (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. During the period the Company has changed its registered office and is now situated at E-floor, IT tower, 73-E/1, Hali Road, Gulberg-III, Lahore.

### 1.2 Going concern assumption

The Company undertook significant operational measures in the current period to improve its productivity and generate liquidity from operations. During this interim period, the Company has crushed 1.54 million tonnes (30 June 2016: 0.45 million tonnes) of sugarcane and produced sugar of 144,460 tonnes (30 June 2016: 45,707 tonnes) at average recovery of 9.36% (30 June 2016: 10.16%). Further 32.75 million liters (30 June 2016: 10.2 million liters) of bio fuel was produced during the period. The Company had faced liquidity crunch for the last few years mainly due to underutilization of available capacity. The liquidity crunch also constrained the Company to timely meet its obligations towards creditors and lenders of finance. However as of 30 June 2017, the Company has fully settled its over-due redeemable term finance certificates, repaid preference shares along with accrued markup and repaid restructured/rescheduled long term finances amounting to Rs. 1,315 million and as of this date long term loan of only Rs. 374.31 million is due to National Bank of Pakistan repayable in quarterly installments ending in December 2020. Over-due accrued markup as of 30 June 2017 amounts to Rs. 93.55 million.

The Company had faced difficulty in arranging working capital finance to meet operational liquidity from providers of finance. During this interim period working capital lines of only Rs. 1,300 million were available for utilization. The Company has announced the right issue to raise finances to the tune of Rs. 975 million to meet working capital requirements.

During the period ended 30 June 2017, the Company has earned profit after tax of Rs. 935.16 million. Although as at the reporting date the current liabilities of the Company have exceeded its current assets by Rs. 2,640 million (30 September 2016: Rs. 3,753 million), the management is confident that with the support of lenders and working capital finance raised through right issue, the Company will be able to increase capacity utilization and generate sufficient cashflows.

### 2. Basis of preparation

The condensed interim unconsolidated financial information for six months period ended 30 June 2017 has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and provisions of and directives issued under the Companies Ordinance, 1984 has been followed. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 has been followed.

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

This condensed interim financial information does not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended 30 September 2016. Selected explanatory notes are included to explain events and transactions that are significant to and understanding of the changes in the Company's financial position and performance since the last financial statements.

### 3. Significant accounting policies

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are same as those applied in the preparation of the financial statements for the year ended 30 September 2016.

### 4. Estimates

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 30 September 2016.

### 5. Seasonality of operations

Due to seasonal nature of sugar segment lower operating profits are usually expected in the last quarter than the first nine months.

### 6. Taxation

The provision for taxation for the nine months ended 30 June 2017 has been made on an estimated basis.

### 7. Long term finances

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

	Note	30 June 2017 (Rupees in thousand)	30 September 2016
Long term loans - secured			
Interest bearing		293,109	312,650
Interest free		81,199	101,043
		374,308	413,693
Redeemable Capital			
Term finance certificates (non-voting) - secured	7.1	-	58,200
Loan from director	7.2	176,213	166,863
		550,521	638,756
Less: Current portion shown under current liabilities			
- Long term loans - secured		(123,341)	(89,343)
- Redeemable capital - term finance certificates (non-voting) - secured		-	(58,200)
		(123,341)	(147,543)
		427,180	491,213

**7.1 Redeemable term finance certificates (non-voting) - secured**

The term finance certificates (TFCs) were issued to finance the acquisition and establishment of the sugar plant at Dargai Shah (disposed off as a part of restructuring process) as well as the Company's existing business operations and for other purposes permitted by the Memorandum and Articles of Association. These have been fully repaid during the period.

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

	Note	30 June 2017 (Rupees in thousand)	30 September 2016
Loan from director		240,000	240,000
Equity portion of loan - Present value adjustment		(63,787)	(73,137)
	7.2.1	176,213	166,863

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

	Note	30 June 2017 (Rupees in thousand)	30 September 2016
<b>8. Short term borrowings</b>			
<i>Secured:</i>			
- Cash / Running finances	8.2	486,520	139,053
- Export refinance	8.3	870,946	331,215
<i>Unsecured:</i>			
- Short term interest free financing	8.4	462,890	498,931
		1,820,356	969,199
<b>8.1 Types of short term borrowings</b>			
Interest / mark-up based financing		1,257,466	370,268
Islamic mode of financing		100,000	100,000
Interest free financing		462,890	498,931
		1,820,356	969,199

**8.2 Cash / Running finances**

The Company has arranged this short term finance facility from MCB Bank Limited to meet working capital requirements. This finance was available at a mark-up ranging from 8.07% to 8.13% (30 September 2016: 8.10% to 8.36%) on the outstanding balance or part thereof. Expiry date of this facility is 30 September 2017.

The cash / running finance is 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 banks under mark up arrangements to the extent of Rs. 875 million (2016: Rs. 875 million). These finances were available at a mark-up ranging from 8.07% to 8.32% (30 September 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 3.43% to 4.86% (30 September 2016: 3.43% to 3.94%). Expiry date of the finances obtained from Bank Islami Pakistan Limited is 15 July 2017 for MCB Bank Limited 30 September 2017 and that of National Bank of Pakistan is 30 June 2017.

The aggregate export finance is secured against lien on export contracts, pledge of stock-in-trade and registered hypothecation charge on property, plant and equipment and 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 except as disclosed below.

- 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 (ethanol). The management through its legal council challenged the imposition of said levy through a writ petition in the Honorable Lahore High Court. During this interim period, the Honorable Lahore High Court restrained the department from collection of excise duty while directing the Company to deposit the amount of excise duty with Deputy Registrar of the Court till the finalization of this case. The amount shall be deposited at the end of every month and shall be certified by the concerned excise and taxation officer. Consequently as referred in note 13, the Company deposited an advance of Rs. 55.35 million based on current periods production of ethanol with the Registrar of Court. However pending the finalization of this case, provision amounting to Rs. 330.70 million (30 September 2016: Rs. 265.23 million) in respect of current and prior years has not been incorporated in this condensed financial information.

### 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. 0.95 million (30 September 2016: Rs 1.90 million)

	Note	30 June 2017 (Rupees in thousand)	30 September 2016
<b>10. Property, plant and equipment</b>			
Operating assets - at net book value	10.1	8,518,204	8,941,152
Capital work in progress	10.2	68,733	46,408
		8,586,937	8,987,560
<b>10.1 Operating assets - at net book value</b>			
Net book value at the beginning of the period / year		8,941,152	9,545,987
Add: Additions during the period / year	10.1.1	1,317	10,634
Less: Deletions during the period / year		23,017	32,665
Depreciation charged during the period / year		401,248	582,804
		424,265	615,469
		8,518,204	8,941,152
<b>10.1.1 Addition during the period/year</b>			
Building and roads on freehold land		-	1,693
Plant and machinery		-	8,374
Tools and equipment's		1,169	2
Office equipment's		-	220
Water, electric and weighbridge equipment's		-	209
Furniture and fixtures		148	136
		1,317	10,634
<b>10.2 Capital work-in-progress</b>			
Civil works		3,208	2,446
Plant and machinery		36,813	30,734
		40,021	33,180
Advances to suppliers		65,649	50,166
Less: Provision for doubtful advances and impairment		(36,937)	(36,938)
		28,712	13,228
		68,733	46,408

	Note	30 June 2017 (Rupees in thousand)	30 September 2016
<b>11. Investments - related parties</b>			
In equity instrument of associate	11.1	1,043,401	931,674
Available for sale	11.2	42,943	22,682
		1,086,344	954,356
<b>11.1 In equity instruments of associate</b>			
<b>Unquoted</b>			
<b><i>Shakarganj Food Products Limited</i></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	1,043,401	931,674
<b>11.1.1 Movement during the period / year</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		166,618	291,795
- provision for taxation		(54,891)	(5,258)
		111,727	286,537
		1,043,401	931,674
Dividends received during the period / year		-	-
		-	-
Balance as at period / year end	11.1	1,043,401	931,674

**11.1.2** Investment in associate includes goodwill amounting to Rs. 71.26 million (30 September 2016: Rs. 71.26 million).

**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>30 June 2017 (Percentage)</b>	30 September 2016
<b>Percentage interest held</b>	49.24%	49.24%
	<b>30 June 2017 (Rupees in thousand)</b>	30 September 2016
Non-current assets	2,623,645	2,412,211
Current assets	2,179,971	2,224,746
Non-current liabilities	(722,114)	(742,680)
Current liabilities	(2,107,212)	(2,146,891)
<b>Net assets (100%)</b>	1,974,290	1,747,386
Company's share of net assets	972,140	860,413
Goodwill recognized	71,261	71,261
<b>Carrying amount of interest in associate</b>	1,043,401	931,674
Revenue	9,156,886	10,106,352
Profit from operations	226,903	581,883
Other comprehensive income	-	(16,870)
Total comprehensive income (100%)	226,903	565,013
<b>Company's share of total comprehensive income</b>	111,727	278,212

The current period figures of SFPL are based on condensed interim financial information as of 30 June.

## 11.2 Available for sale

### Associated / related companies

#### Quoted - related party

*Crescent Steel and Allied Products Limited:*  
180,000 fully paid ordinary shares of Rs. 10 each  
Equity held: 0.23% (30 September 2016: 0.23%)  
Market value - Rs. 42.945 million  
(30 September 2016: Rs. 22.68 million)

#### Unquoted - associated company

*Crescent Standard Telecommunications Limited*  
300,000 (30 September 2016: 300,000)  
fully paid ordinary shares of Rs. 10 each

	<b>30 June 2017 (Rupees in thousand)</b>	30 September 2016
	15,921	15,921
	3,000	3,000

This includes Rs. 55.35 million deposited with honorable Lahore High Court for the reasons fully explained in note 9.1.





**14. SEGMENTS INFORMATION**

14. SEGMENTS INFORMATION																		RUPEES IN THOUSANDS		
	Sub-total brought forward						Textile				Farms				Others				Total	
	Quarter ended		Nine months ended		Quarter ended		Nine months ended		Quarter ended		Nine months ended		Quarter ended		Nine months ended		Quarter ended		Nine months ended	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016	30 June 2017	
<b>14.1 Sales - Net</b>																				
External																				
- Local	359,324	274,088	7,736,900	2,820,626	183,707	165,605	611,826	523,285	3,557	10,919	11,044	16,591	3,236	5	4,318	1,469	549,825	450,618	8,364,089	3,361,972
- Export	965,827	103,301	1,268,693	513,425	-	-	-	-	-	-	-	-	-	-	-	-	965,827	103,301	1,268,693	513,425
- By product	9,509	135,780	629,202	2,762,558	183,707	165,605	611,826	523,285	3,557	10,919	11,044	16,591	3,236	5	4,318	1,469	9,509	135,780	629,202	2,76,258
	1,334,660	513,169	9,634,795	3,610,309	183,707	165,605	611,826	523,285	-	-	8,476	9,297	-	-	-	-	1,525,161	689,699	10,261,984	4,151,655
Intersegment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1,334,660	513,169	9,634,795	3,610,309	183,707	165,605	611,826	523,285	3,557	10,919	19,520	25,888	3,236	5	4,318	1,469	1,525,161	689,699	10,261,984	4,151,655
<b>14.2 Segment expenses</b>																				
<b>Cost of sales</b>																				
Net of intersegment costs	1,323,778	621,657	8,395,843	3,669,773	192,812	170,886	611,387	533,223	5,896	2,943	16,755	14,623	1,271	271	1,897	1,431	1,523,756	795,757	9,025,881	4,219,050
Intersegment cost	-	-	-	-	-	-	-	-	-	-	2,796	-	-	-	-	-	-	-	-	-
	1,323,778	621,657	8,395,843	3,669,773	192,812	170,886	611,387	533,223	5,896	2,943	19,551	14,623	1,271	271	1,897	1,431	1,523,756	795,757	9,025,881	4,219,050
Gross profit / (loss)	10,882	(108,488)	1,238,952	(59,464)	(9,105)	(5,281)	439	(9,938)	(2,339)	7,976	(31)	11,265	1,965	(266)	2,421	38	1,405	(106,058)	1,236,103	(67,394)
Administrative expenses	(58,717)	(41,364)	(183,657)	(150,850)	(5,881)	(5,327)	(17,832)	(16,730)	(93)	(252)	(643)	(1,098)	(60)	(9)	(75)	(57)	(64,752)	(46,953)	(202,207)	(168,736)
Distribution and selling cost	(57,559)	(11,142)	(90,030)	(51,814)	(347)	(736)	(1,268)	(1,147)	-	-	-	-	-	-	-	-	(57,906)	(11,878)	(91,298)	(52,961)
	(116,276)	(52,506)	(273,687)	(202,664)	(6,228)	(6,063)	(19,100)	(17,877)	(93)	(252)	(643)	(1,098)	(60)	(9)	(75)	(57)	(122,658)	(58,830)	(293,505)	(221,697)
<b>Segment results</b>	(105,394)	(160,994)	965,265	(262,128)	(15,333)	(11,344)	(18,661)	(27,815)	(2,432)	7,724	(674)	10,167	1,905	(275)	2,346	(19)	(121,253)	(164,888)	942,598	(289,091)
Other operating expenses																	4,363	(10,938)	(66,028)	(45,262)
Finance costs																	(45,990)	(35,737)	(126,550)	(145,896)
Other operating income																	23,216	120,124	1,29,219	430,188
Share of income of associates																	34,451	31,761	1,66,618	218,113
Taxation																	(14,955)	(50)	(110,694)	(20,935)
Profit / (loss) for the period																	(119,668)	(59,729)	935,163	147,117

(RUPEES IN THOUSAND)

	Segment assets		Segment liabilities	
	30 June 2017	30 September 2016 (Rupees in thousand)	30 June 2017	30 September 2016
<b>14.3 Segment assets and liabilities</b>				
Sugar	5,814,556	5,841,191	3,596,903	4,010,295
Bio Fuel	2,783,332	1,977,339	1,594,635	1,315,885
Bio Power	242,814	257,608	25,314	28,235
Building materials	56,525	51,682	23,066	33,820
Textile	349,742	348,636	157,041	133,072
Farms	697,177	685,223	24,145	17,090
Others	514	2,838	770	1,070
Unallocated	1,674,627	1,675,279	270,755	329,096
	<u>11,619,286</u>	<u>10,839,796</u>	<u>5,692,629</u>	<u>5,868,563</u>

## 15. 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.

	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
	----- Rupees in thousands -----							
<b>On-Balance sheet financial instruments</b>								
<b>30 June 2017 - (Un-audited)</b>								
<b>Financial assets - measured at fair value</b>								
Available for sale investments	42,943	-	-	-	42,943	42,943	-	-
Biological assets	-	16,965	-	-	16,965	-	-	16,965
	42,943	16,965	-	-	59,908	42,943	-	16,965
<b>Financial assets - not measured at fair value</b>								
Long term deposits	-	36,531	-	-	36,531	-	-	-
Trade debts - unsecured, considered good	-	20,098	-	-	20,098	-	-	-
Advances, deposits, prepayments and other receivables	-	26,845	-	-	26,845	-	-	-
Cash and bank balances	-	-	53,310	-	53,310	-	-	-
	-	83,474	53,310	-	1,36,784	-	-	-
<b>Financial liabilities - measured at fair value</b>								
<b>Financial liabilities - not measured at fair value</b>								
Long term loans	-	-	-	550,521	550,521	-	550,521	-
Short term borrowing	-	-	-	1,820,356	1,820,356	-	1,820,356	-
Trade and other payables	-	-	-	1,623,652	1,623,652	-	-	-
Accrued mark up	-	-	-	1,23,214	1,23,214	-	-	-
	-	-	-	4,117,743	4,117,743	-	2,370,877	-
	-	-	-	-	-	-	-	2,370,877

#### Note

30 September 2016 - (Audited)

Financial assets - measured at fair value

Available for sale investments  
Biological assets

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 -----								
22,682	-	-	-	22,682	22,682	-	-	22,682
-	21,452	-	-	21,452	-	-	21,452	21,452
22,682	21,452	-	-	44,134	22,682	-	21,452	44,134

Financial assets - not measured at fair value

Long term deposits  
Trade debts - unsecured, considered good  
Advances, deposits, prepayments and other receivables  
Cash and Bank balances

-	90,983	18,640	-	-	109,623	-	-	-	-
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Financial liabilities - measured at fair value

Financial liabilities - not measured at fair value

Long term loans  
Short term borrowings  
Trade and other payables  
Accrued mark-up

-	-	-	638,756	638,756	-	-	638,756	-	638,756
-	-	-	969,199	969,199	-	-	969,199	-	969,199
-	-	-	1,286,424	1,286,424	-	-	-	-	-
-	-	-	218,545	218,545	-	-	-	-	-
-	-	-	3,112,924	3,112,924	-	-	1,607,955	-	1,607,955

15.1 The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

		Nine months ended	
		30 June 2017	30 June 2016
		(Rupees in thousand)	
<b>16. Cash generated from operating activities</b>			
Profit before taxation		1,045,857	168,052
<i>Adjustments for:</i>			
Depreciation on operating fixed assets	401,248	436,134	
Amortization of intangible assets	23	69	
Gain on sale of property, plant and equipment	(62,970)	(36,335)	
Dividend income	-	(8,976)	
Share of profit from associates	(166,618)	(218,113)	
Fair value gain on livestock	(991)	1,168	
Profit on sale of investment	-	(55,900)	
Profit on sale of right allotment letters	-	(31,682)	
Finance cost	126,550	145,896	
Present value adjustment on initial recognition of interest free loan	-	(21,170)	
Liabilities no longer payable written back	(7,211)	(225,726)	
	290,031	(14,635)	
Profit before working capital changes	1,335,888	153,417	
Effect on cash flow due to working capital changes (Increase)/ decrease in current assets:			
Stock-in-trade	(1,074,562)	439,469	
Trade debts	(6,944)	(10,887)	
Stores and spares	1,222	4,386	
Other receivables	(74,451)	7,613	
Biological assets	5,165	15,812	
<i>Increase in current liabilities:</i>			
Trade and other payables	(682,376)	(741,441)	
	(1,831,946)	(285,048)	
Cash used in operations	(496,058)	(131,631)	

## 17. Transactions with related parties

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	Nine months ended	
			30 June 2017 (Rupees in thousand)	30 June 2016
i.	Related parties			
	Crescent Steel & Allied Products Limited (CSAPL)	Purchase of goods	82	19,650
		Common expenses	2,582	2,559
		Dividend income	270	8,976
		Advance received for purchase of material	-	70,000
	Shakarganj Energy (Private) Limited - associated undertaking of CSAPL	Purchase of electricity, steam and bagasse	752,369	164,359
		Sale of bagasse & water	621,049	160,115
		Rent paid against use of boiler	-	5,000
		Purchase of material	197	-
		Common expenses	13,256	3,724
	Crescent Hadeed (Private) Limited associated undertaking of CSAPL	Rendering of services	1,035	2,015
		Purchase of material	63	-
		Sale of material	-	1,643
	Crescent Cotton Mills Limited	Purchase of yarn	-	4,353
ii.	Associated undertakings			
	Shakarganj Food Products Limited	Sale of goods	190,583	149,108
		Salary expense and other common expenses	1,311	3,442
	Premier Insurance Limited	Insurance expenses	2,689	4,511
iii.	Post employment benefit plans	Expense charged in respect of retirement benefit plans	17,925	14,730
		Transactions with gratuity and pension fund account		
		- Funds received	407,550	489,346
		- Funds repaid	407,550	489,346
		- Markup expense	27,278	24,740
iv.	Key Management Personnel	Salaries and other employee benefits	95,525	69,683
		Loan received from director	-	200,000

	30 June 2017 (Rupees in thousand)	30 September 2016
<b>Period/Year end balances</b>		
<i>Payable to Associated/Related undertakings:</i>		
Crescent Steel & Allied Products Limited (CSAPL)	3,733	2,226
Premier Insurance Limited	3,661	4,829
Shakarganj Energy (Private) Limited associated undertaking of CSAPL	26,228	-
<i>Receivable from Associated/Related undertakings:</i>		
Shakarganj Food Products Limited	726	6,816
Crescent Hadeed (Private) Limited associated undertaking of CSAPL	2,730	2,687
Crescent Steel & Allied Products Limited (CSAPL)	1,285	-
Shakarganj Energy (Private) Limited associated undertaking of CSAPL	-	18,745

## 18. Financial risk management

The Company's financial risk management objective and policies are consistent with that disclosed in the annual financial statements of the Company for the year ended 30 September 2016.

## 19. Date of authorization for issue

This condensed interim financial information was authorized for issue on 26 July 2017 by the Board of Directors of the Company.

## 20. General

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison and better presentation as per reporting framework.

  
Chief Executive

  
Chairman

  
Chief Financial Officer



## ڈائریکٹرز کا جائزہ

میں 30 جون 2017 کو ختم ہوئے 9 ماہ کے لئے کمپنی کی غیر مربوط شدہ منجمد عبوری مالیاتی معلومات بخوشی پیش کر رہا ہوں  
مالی اور آپریشنل کارکردگی:  
آپریٹنگ کارکردگی کا خلاصہ:

مالی سال 2017ء کی پہلی ششماہی کے دوران، شوگر ڈویژن نے اچھی کارکردگی کا مظاہرہ کیا اور مالی سال 2016 کی اسی مدت میں بعد از ٹیکس منافع 147 ملین روپے کے مقابلے کمپنی نے مجموعی طور پر بعد از ٹیکس منافع 935 ملین روپے کمایا۔ بائیو فیول کاروبار نے بھی رفتار پکڑ لی ہے ہم پر امید ہیں کہ کمپنی بائیو فیول ڈویژن کے لئے اپنا تمام پیداواری ہدف پورا کر لے گی۔ گنے کی کرشنگ زیر جائزہ مدت کے دوران 240 فیصد سے بھی زیادہ تک بہتر ہوئی اور چینی کی فروخت کی قیمتوں میں بہتری کا رجحان برقرار رہا اور ہمیں صحت مند منافع پر ہماری کل پیداوار کا ایک بڑا حصہ فروخت کرنے اور شوگر ڈویژن کو تاریخ کی سب سے زیادہ سطح پر 870 ملین روپے آپریشنل منافع حاصل کرنے کی اجازت دی۔ اگرچہ اس سال کرشنگ سیزن گزشتہ سیزن کے مقابلے دو ہفتے جلدی شروع کیا گیا تھا اور جلد آغاز سے ریکوری میں کاروبار سے نقصان ہوا جس کا اعلیٰ قیمتوں نے ازالہ کیا ہے۔

کمپنی نے گزشتہ سال کی اسی مدت میں 67 ملین روپے مجموعی منافع کے مقابلے مجموعی طور پر 1,236 ملین روپے کل منافع کمایا۔ تمام چیلنجوں کے باوجود، کمپنی نے آپریشنل منافع کی ایک تاریخی اعلیٰ سطح حاصل کی، اور شریک کمپنی میں 112 ملین روپے کی شراکت کے ساتھ، ہمارا بعد از ٹیکس 935 ملین روپے تک پہنچ گیا۔ لیکویڈیٹی دباؤ جاری رہنے کے باوجود، کمپنی کی مجموعی کارکردگی شاندار تھی اور کمپنی نے اپنے کلیدی آپریٹنگ اشاروں کو بہتر بنانا جاری رکھا اور اس کے ساتھ ساتھ دیگر کاروباری طبقات کی بحالی جہاں مالی سال 2017 کے آخری سہ ماہی میں مارجنز دستیاب ہیں کے لئے پر امید ہے۔

گزشتہ چند سالوں کے دوران، دنیا بھر میں مجموعی طور پر ایندھن کی قیمتوں میں کمی کی وجہ سے، بائیو فیول کی قیمت کو بھی رکاوٹوں کا سامنا کرنا پڑا۔ تاہم، حال ہی میں بہتری آئی اور مولاس کی قیمتیں بھی گر رہی ہیں، ہمیں امید ہے کہ چینی کے کاروبار کی طرح کمپنی بائیو فیول کاروبار میں بھی رفتار پکڑنے کے قابل ہو جائے گی اور بہتر ماحول کی مدد سے ہم علاقے میں ٹریک پرواپس آنے کے قابل ہو جائیں گے۔

### کاروباری شعبہ جات:

#### شوگر ڈویژن:

گنے کی فصل بہتر ہونے کی وجہ سے، کرشنک مہم 14 نومبر 2016 کو جلد ہی شروع کر دی گئی اور چینی کی پیداوار بہت اعلیٰ تھی۔ شوگر ڈویژن نے 1,543,849 میٹرک ٹن گنا کرش (16 QFY 450,804) میٹرک ٹن) اور 9.36 فیصد اوسط ریکوری (16 QFY 10.16) کے ساتھ 144,460 میٹرک ٹن چینی پیدا کی نتیجتاً چینی کی پیداوار میں 216 فیصد اضافہ ہوا۔ ہماری پہلی سہ ماہی کے جائزہ میں زیر بحث انتظامیہ کی متوقع بڑی فصل کی روشنی میں مستقل بنیاد پر فروخت کرنے کی پالیسی اس کاروبار کے مجموعی منافع میں قابل ذکر اضافہ کے ساتھ کمپنی کے لئے نتیجہ خیز ثابت ہوئی۔

#### بائیو فیول ڈویژن:

اس ڈویژن کی پیداوار 32.75 ملین لیٹرز تک بڑھ گئی (16 QFY 10.20:3 ملین لیٹرز)۔ زیر جائزہ مدت کے دوران، بائیو فیول ڈویژن کی کارکردگی بہت بہتر تھی اور پیداوار اور منافع کے لحاظ سے بہتری کا رجحان جاری رہا۔ گزشتہ سال کی اسی مدت کے مقابلے بہتر کرشنک سے علاقہ میں مجموعی خام مال کا منظر نامہ بہتر ہوا۔ مدت کے دوران برآمدات کل بائیو فیول فروخت کا 93.8 فیصد شمار کی گئی۔

#### بائیو پاور ڈویژن:

بائیو پاور ڈویژن خام مال کی عدم دستیابی اور پاور جنریشن کے دوبارہ آغاز کے لئے بھاری مرمت اور دیکھ بھال کی وجہ سے نہیں چلایا گیا تھا۔ اس لئے بائیو پاور جنریشن 16 QFY کی طرح صفر رہی تھی۔

#### بلڈنگ میٹریلز ڈویژن:

زیر جائزہ مدت کے دوران بہتر کرشنک اور سرپلس بگاس کی دستیابی کے پیش نظر اس ڈویژن کی پیداوار شروع ہو گئی اور ہم نے 1,578 کیوبک میٹرز پیداوار حاصل کی (16 QFY 3: صفر)۔ مالی سال 2017 کی آخری سہ ماہی میں پیداوار مزید بہتر ہونے کی توقع ہے۔

#### ٹیکسٹائل ڈویژن:

ہمارے ٹیکسٹائل ڈویژن میں یارن کی پیداوار 2.60 ملین کلوگرام (16 QFY 2.47:3 ملین کلوگرام) تک بڑھ گئی ہے۔ پیداوار میں اضافہ بنیادی طور پر گزشتہ مدت کے مقابلے موجودہ مدت کے دوران کل آپریشنل ایام سے منسوب ہے۔

### مستقبل کا نقطہ نظر:

انتظامیہ سال 2017 کے باقی عرصے میں بائیو فیول میں بہتری کے لئے پرامید ہے ڈسٹری کا مستقبل کا نقطہ نظر اچھی کواٹی کے مولا سس کی مستقل دستیابی پہ انحصار کرتا ہے اور انتظامیہ مناسب قیمت پہ مولا سس کی زیادہ مقدار جمع کرنے کے لئے کوشش کر رہی ہے تاکہ صحت مند مطلوبہ نتائج حاصل کر سکے۔ ٹیکسٹائل ڈویژن کے کاٹن پرائسز بڑھنے اور ملک میں کاٹن کی پیداوار کم ہونے کی وجہ سے دباؤ میں رہنے کی امید ہے۔

جیسا کہ ہماری گزشتہ سالانہ رپورٹ میں وضاحت کی گئی ہے کہ کمپنی 2009 سے سخت مالی حالات میں ہے زیر غور عرصہ کے دوران کمپنی نے اپنی ورکنگ کیپٹیل لائسنز کو کامیابی سے رینیو کروا لیا ہے تاکہ 2017 میں اپنے آپریشن کو فنانس کر سکے کمپنی لینڈرز کے ساتھ معاملات کامیابی سے طے پا گئے ہیں جیسا کہ منسلک شدہ منجند عبوری مالیاتی معلومات کے نوٹ 1.2 میں مکمل وضاحت کی گئی ہے لونگ ٹرم فنانسنگ کے لئے کمپنی کے لینڈرز سے بات چیت چل رہی ہے اور امید ہے کہ اسے جلد پایا تکمیل تک پہنچا دیا جائے گا کمپنی نے اپنی ورکنگ کیپٹیل کی ضروریات کو پورا کرنے کے لئے 975 ملین کے رائٹ ایٹو کا بھی اعلان کیا ہے۔ کمپنی آپریشنل پرافٹ ایبلٹی کو جاری رکھنے اور لیکوڈیٹی سیر یو کو بہتر کرنے کے لئے بہترین کوشش کرنے میں پرعزم ہے۔

منجانب بورڈ

انجم ایم سلیم

چیف ایگزیکٹو آفیسر

تاریخ: 26 جولائی 2017ء

BOOK POST



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