





# **Corporate Briefing** **Session**

**For the year 30 September 2020**



# Company Brief



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

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

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



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

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



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

**Company Registration Number: 0002546**

**National Tax Number: 1413603-1**

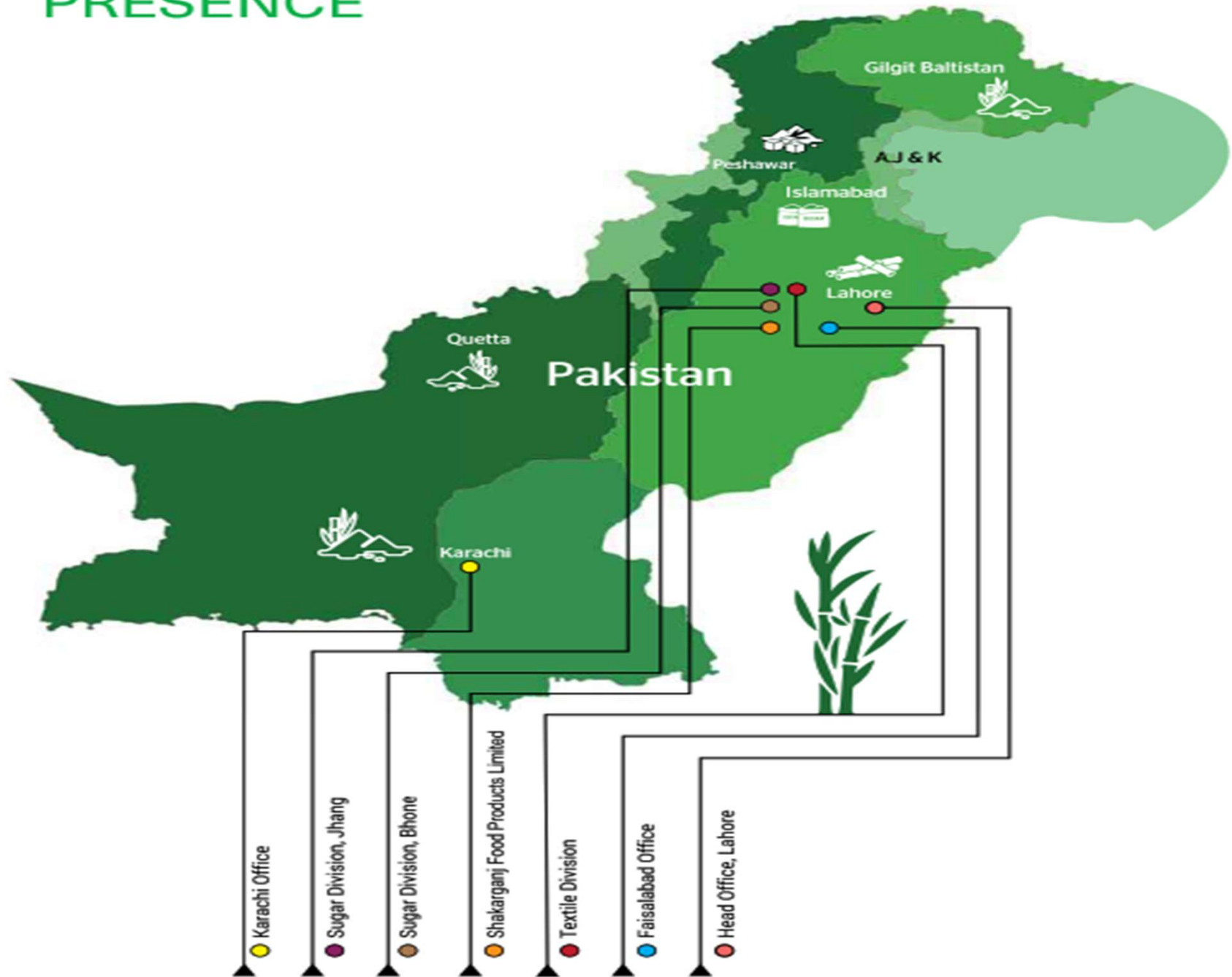
**Sales Tax Number: 04-06-1703-002-46**

**Incorporated on: 20 September 1967**

**PSX Symbol: SML**



# GEOGRAPHICAL PRESENCE





# **Financial Highlights** **(Seven Years)**





Financial Highlights								
		2020	2019	2018	2017	2016	2015	2014
<b>Profitability &amp; Ratios Area:</b>								
Net Sales	(Rs 000)	6,409,384	6,256,738	7,404,243	11,360,157	4,373,219	6,578,986	11,356,340
Cost of Sales	(Rs 000)	7,081,059	6,283,349	7,047,093	10,704,342	4,668,941	6,647,610	11,402,233
Gross Profit / (Loss)	(Rs 000)	(671,675)	(26,611)	357,150	655,815	(295,722)	(68,624)	(45,893)
Operating Profit/(Loss)	(Rs 000)	(293,219)	(448,715)	92,871	324,500	(140,704)	(183,146)	(378,875)
Profit/(Loss) Before Tax	(Rs 000)	(1,170,655)	(774,470)	158,161	350,012	(31,663)	(42,652)	(584,585)
Profit/(Loss) After Tax	(Rs 000)	(997,583)	(728,411)	(14,008)	210,819	(17,893)	(142,756)	(638,809)
Earnings/(Loss) Before Interest, Taxes, Depreciation & Amortization (EBITDA)	(Rs 000)	(262,493)	172,169	858,121	1,054,322	733,985	829,395	71,650
Gross Profit Ratio	(%)	(10.48)	(0.43)	4.82	5.77	(6.76)	(1.04)	(0.40)
Net Profit to Sales	(%)	(15.56)	(11.64)	(0.19)	1.86	(0.41)	(2.17)	(5.63)
EBITDA Margin to Sales (net)	(%)	(0.04)	0.03	0.12	0.09	0.17	0.13	0.01
Operating Leverage Ratio	(%)	35.90	14.43	0.89	1.53	0.68	4.19	8.38
Return on Capital Employed	(%)	(9.53)	(4.54)	4.08	7.66	(2.60)	(3.52)	(6.45)



		2020	2019	2018	2017	2016	2015	2014
<b>Liquidity Ratios Area:</b>								
Current Assets	(Rs 000)	1,257,098	992,065	1,485,414	1,599,932	814,003	2,767,463	1,501,818
Current Liabilities	(Rs 000)	4,566,845	4,170,356	4,052,096	3,962,002	4,567,308	7,972,985	6,669,301
Net Current Assets / (Liabilities)	(Rs 000)	(3,309,747)	(3,178,291)	(2,566,682)	(2,362,070)	(3,753,305)	(5,205,522)	(5,167,483)
Property, Plant and Equipment	(Rs 000)	9,745,632	10,253,780	10,825,661	8,487,270	8,987,560	9,599,483	10,254,043
Total Assets	(Rs 000)	12,734,587	13,467,068	14,307,132	11,270,752	10,839,796	13,328,591	12,411,426
Current Ratio	(Times)	0.28	0.24	0.37	0.40	0.18	0.35	0.23
Quick / Acid Test Ratio	(Times)	0.12	0.08	0.09	0.10	0.08	0.23	0.13
Cash to Current Liabilities	(%)	0.18	2.01	0.70	0.13	0.41	19.17	1.42
Cash Flow from Operations to Sales	(%)	11.03	17.47	4.07	(10.87)	13.70	20.99	4.82
<b>Activity / Turnover Ratios Area:</b>								
Inventory Turnover Ratio	(Times)	10.80	7.24	6.21	13.42	7.14	9.05	18.73
No. of days in Inventory	(Days)	33.80	50.38	58.82	27.21	51.09	40.32	19.48
Debtor Turnover Ratio	(Times)	53.82	167.95	71.49	125.62	200.06	189.45	205.53
No. of Days in Receivables / Average Collection Period	(Days)	6.78	2.17	5.11	2.91	1.82	1.93	1.78
Total Assets Turnover Ratio	(Times)	0.50	0.46	0.52	1.01	0.40	0.49	0.91
Fixed Assets Turnover Ratio	(Times)	0.66	0.61	0.68	1.34	0.49	0.69	1.11



		2020	2019	2018	2017	2016	2015	2014
<b>Investment / Market Ratios Area:</b>								
Earning / (Loss) Per Share	(Rupees)	(7.98)	(5.83)	0.11	1.80	(0.16)	(1.89)	(9.19)
Dividend Yield Ratio	(%)	-	-	-	1.38	-	-	-
Dividend Payout Ratio	(%)	-	-	-	69.44	-	-	-
Dividend Cover Ratio	Times	-	-	-	1.44	-	-	-
Cash Dividend per Share	(Rupees)	-	-	-	1.25	-	-	-
Market Value Per Share at the Year End	(Rupees)	38.00	34.10	55.00	90.75	26.62	17.71	15.75
- Highest during the Year	(Rupees)	50.00	76.48	90.44	132.25	29.65	20.60	24.95
- Lowest during the Year	(Rupees)	30.17	26.25	54.15	22.50	10.75	12.30	13.31
Breakup Value Per Share Including Surplus on Revaluation of Fixed Assets	(Rupees)	54.87	63.67	69.46	49.09	45.14	64.60	66.78
<b>Capital Structure Ratios Area:</b>								
Shareholders' Equity (without surplus on revaluation of property, plant and equipment)	(Rs 000)	770,716	1,601,612	1,857,468	1,416,858	(19,900)	(711,810)	(654,867)
Share Capital	(Rs 000)	1,250,000	1,250,000	1,250,000	1,250,000	1,100,000	695,238	695,238
Financial Leverage Ratio	Times	2.44	1.37	1.50	1.55	(80.80)	(5.08)	(4.93)
Weighted Average Cost of Debt	(%)	11.42	12.39	7.84	7.63	8.10	9.93	10.56
Long Term Debt : Equity Ratio	:	0.60	0.24	0.29	0.37	(32.10)	(1.45)	(2.07)
Interest Cover Ratio	(Times)	(2.46)	(1.34)	1.79	3.06	0.83	0.82	(0.78)



# **Financials Information** **for the year ended 30 September 2020**



# Financial Highlights

For the year ended 30 September 2020

(Rupees in million)

Description	2020	2019	Favorable / (Unfavorable)	
			Amount	%
Revenue	6,409	6,257	153	2
Cost of sales	(7,081)	(6,283)	(798)	(13)
Gross loss	(672)	(27)	(645)	(2,424)
Distribution, admin & other expenses	(425)	(488)	62	13
Other income	804	65	738	1,128
Loss from operations	(293)	(449)	155	35
Finance cost	(339)	(331)	(8)	(2)
Share of (loss) / profit from equity accounted investee	(539)	5	(544)	(10,303)
Loss before taxation	(1,171)	(774)	(396)	(51)
Taxation	173	46	127	276
Loss after taxation	(998)	(728)	(269)	(37)



# Production & Cost

Description	Unit	Actual Sep-20	Budgeted Sep-20	Actual Sep-19
Sugarcane Crushed	MT	884,724	1,300,000	484,762
Sugar Recovery	%	8.76	9.63	10.13
Sugar Produced	MT	77,560	125,125	49,016
Molasses Consumed	MT	38,530	299,600	65,336
Biofuel Produced	MT	7,853	59,358	12,131
Yarn Produced	Bags	36,930	127,734	102,978
Converted in 20/1 count	Bags	68,398	214,900	195,121
Cost of Sugarcane	Per 40 kg	227.31	195.00	189.88
Cost of Sugarcane	Per MT	5,683	4,875	4,747



# Gross Margin (Products Wise)

Description	Unit	Cost of Sugarcane per kg of Sugar Produced
<b>Crop 2020</b>	Per kg	Rs. 64.87
<b>Crop 2019</b>	Per kg	Rs. 46.86

Rupees

Description	Unit	Net Sale Price	Cost of Production	Gross Margin
<b>Year ended September 2020</b>				
Sugar	Per MT	60,293	67,577	(7,284)
Biofuel	Per MT	109,252	119,239	(9,987)
Yarn	Per Bag	13,783	15,040	(1,257)
<b>Year ended September 2019</b>				
Sugar	Per MT	51,216	59,009	(7,793)
Biofuel	Per MT	84,001	85,611	(1,610)
Yarn	Per Bag	13,688	13,810	(122)



# Sales (Quantitative)

<b>Description</b>	<b>Unit</b>	<b>Sep 2020</b>	<b>Sep 2019</b>
<b>Sugar</b>	<b>MT</b>	<b>80,538</b>	<b>53,857</b>
<b>Biofuel</b>	<b>MT</b>	<b>6,830</b>	<b>22,863</b>
<b>Yarn</b>	<b>Bags</b>	<b>36,231</b>	<b>99,753</b>





## Segment Results – Sugar and Biofuel and Textile

### For the year ended 30 September 2020

Rupees in thousand

	Sugar		Biofuel		Textile	
	2020	2019	2020	2019	2020	2019
<b>Revenue</b>						
- External	<b>5,124,097</b>	2,919,986	<b>747,402</b>	1,924,133	<b>507,803</b>	1,382,945
- Intersegment	<b>775,354</b>	496,981	<b>31,743</b>	80,065	-	-
	<b>5,899,451</b>	3,416,967	<b>779,145</b>	2,004,198	<b>507,803</b>	1,382,945
<b>Cost of sales</b>						
- External	<b>6,396,402</b>	3,691,589	<b>102,337</b>	1,190,410	<b>540,996</b>	1,375,864
- Intersegment	<b>49,416</b>	91,435	<b>772,542</b>	496,937	-	-
	<b>6,445,818</b>	3,783,024	<b>874,879</b>	1,687,347	<b>540,996</b>	1,375,864
<b>Gross (loss) / profit</b>	<b>(546,367)</b>	(366,057)	<b>(95,734)</b>	316,851	<b>(33,193)</b>	7,081
- Distribution cost	<b>13,445</b>	8,543	<b>51,890</b>	125,957	<b>1,341</b>	3,199
- Administrative expenses	<b>252,573</b>	174,021	<b>33,566</b>	102,171	<b>33,212</b>	33,533
	<b>266,018</b>	182,564	<b>85,456</b>	228,128	<b>34,553</b>	36,732
<b>Segment results</b>	<b>(812,385)</b>	(548,621)	<b>(181,190)</b>	88,723	<b>(67,746)</b>	(29,651)
Other expenses	<b>(33,973)</b>	(24,386)	<b>(4,487)</b>	(14,317)	-	-
<b>Operating (loss) / profit</b>	<b>(846,358)</b>	(573,007)	<b>(185,677)</b>	74,407	<b>(67,746)</b>	(29,651)
Finance cost	<b>(299,228)</b>	(208,531)	<b>(39,519)</b>	(122,432)	<b>(52)</b>	(40)
<b>(Loss) / profit before taxation</b>	<b>(1,145,586)</b>	(781,538)	<b>(225,196)</b>	(48,025)	<b>(67,798)</b>	(29,691)



# Segment Results – Farms, Others and Total

## For the year ended 30 September 2020

Rupees in thousand

	Farms		Others		Total	
	2020	2019	2020	2019	2020	2019
<b>Revenue</b>						
- External	<b>30,082</b>	29,171	-	503	<b>6,409,384</b>	6,256,738
- Intersegment	<b>17,362</b>	18,074	-	-	-	-
	<b>47,444</b>	47,245	-	503	<b>6,409,384</b>	6,256,738
<b>Cost of sales</b>						
- External	<b>41,323</b>	24,430	-	1,058	<b>7,081,059</b>	6,283,349
- Intersegment	<b>2,502</b>	6,747	-	-	-	-
	<b>43,825</b>	31,177	-	1,058	<b>7,081,059</b>	6,283,349
<b>Gross (loss) /profit</b>	<b>3,619</b>	16,068	-	(555)	<b>(671,675)</b>	(26,611)
- Distribution cost	-	-	-	-	<b>66,676</b>	137,699
- Administrative expenses	<b>1,008</b>	1,425	-	26	<b>320,360</b>	311,176
	<b>1,008</b>	1,425	-	26	<b>387,036</b>	448,875
<b>Segment results</b>	<b>2,611</b>	14,643	-	(581)	<b>(1,058,711)</b>	(475,486)
Other expenses	-	-	-	(4)	<b>(38,460)</b>	(38,707)
Other income					<b>803,952</b>	65,478
<b>Operating (loss) / profit</b>	<b>2,611</b>	14,643	-	(585)	<b>(293,219)</b>	(448,715)
Finance cost	-	-	-	(31)	<b>(338,799)</b>	(331,034)
Share of (loss) / income from equity accounted investee					<b>(538,637)</b>	5,279
<b>(Loss) / profit before taxation</b>	<b>2,611</b>	14,643	-	(616)	<b>(1,170,655)</b>	(774,470)
Taxation					<b>173,072</b>	46,059
<b>Loss after taxation</b>					<b>(997,583)</b>	(728,411)



# Q & A



# Thank You