



Shakarganj
Limited



CONDENSED INTERIM REPORT
FOR THE FIRST QUARTER ENDED
31 DECEMBER 2021



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VISION MISSION & CORE VALUES

To gain and maintain leadership in our relevant sectors by producing the best quality products at the lowest possible cost

To give the best returns to our shareholders by optimal allocation of resources to the products and markets we compete in

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

To provide the best working environment to our employees and provide them opportunities to enhance their skills

To work with our farmers, suppliers, and distributors as partners in 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

To be a socially responsible corporate citizen supporting education, health, environment, and socio economic development of its community

COMPANY INFORMATION

Board of Directors

1. Chairman (Non-Executive)	Mian Muhammad Anwar
2. Chief Executive Officer	Anjum Muhammad Saleem
In alphabetic order:	
3. Executive Director	Ali Altaf Saleem
4. Non-Executive Director	Javed Anjum
5. Non-Executive Director	Khalid Bashir
6. Non-Executive Director (Independent)	Sheikh Asim Rafiq
7. Non-Executive Director	Yasir Ghaffar
8. Non-Executive Director (Independent)	Zahra Ahsan Saleem

Audit Committee

Chairman	Sheikh Asim Rafiq (Independent)
Member	Javed Anjum
Member	Khalid Bashir
Member	Zahra Ahsan Saleem (Independent)

Human Resource & Remuneration Committee

Chairperson	Zahra Ahsan Saleem (Independent)
Member	Anjum Muhammad Saleem
Member	Khalid Bashir
Member	Mian Muhammad Anwar

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
- Biofuel
- Yarn
- Tiger Compost

Legal Advisor

Saad Rasool Law Associates
Hassan & Hassan Advocates

Auditors

Riaz Ahmad & Company
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 E 1
Hali Road, Gulberg III, Lahore, Pakistan
UAN: (042) 111 111 765
Tel: (042) 3578 3801-06
Fax: (042) 3578 3811

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 AND GROUP STRUCTURE

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, biofuel, as well as textiles. We transform renewable crops such as sugarcane and cotton into value added products including refined sugar, biofuel and textiles etc. Our registered office is in Lahore with regional office in Faisalabad.

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

Sugar Business:

We have two manufacturing facilities, which are both 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 16,000 Tons of Cane per Day (TCD) which is extendable to 20,000 TCD.

Biofuel Business:

We have six distillation plants of which three are located at our Jhang facility and the remaining three are located at our Bhone facility where various grades of biofuel are produced. Our products include Rectified Ethanol (REN) for industrial and food grades, Anhydrous Ethanol for fuel grade, and Extra Neutral Alcohol (ENA) for pharmaceutical and perfume grades. The combined capacity of our distilleries is 350,000 litres per day.

Textile Business:

This cotton spinning unit produces carded cotton and PC yarn ranging from 10/s to 33/s. The installed capacity is 24,960 spindles for cotton spinning.

Farming & Allied Business:

This comprises different parcels of land mainly located in Jhang District near our manufacturing facilities. Total area for farming is 790 acres which is our 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 around 200 milking and fattening cattle. 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 standardised microbial culture in filter cake. The compost is a rich source of organic matter, with macro and micro nutrients to help improve soil and it 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 the 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 providing 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 originally. 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 Programmes 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 utilise technology and intellectual property enabling us to obtain a price premium along with sustainable and/or higher margins.

SFPL comprises of three divisions – Dairy, Juice and Pulp & Concentrates. The Dairy and Juice division uses Tetra Pak packages to deliver UHT dairy and beverage products to the local market. The Pulp & Concentrate division produces fruit pulps, concentrates and purees for sale in both the Pakistan and International market. Our aim is to supply premium quality food products to our customers and become one of the leading food companies in Pakistan.

DAIRY & JUICE DIVISION

Shakarganj entered into the dairy business in 2006 with the introduction of its brand “**good milk**”. Since then it has expanded with a diverse product portfolio in both the dairy and beverage category including UHT white milk, flavoured milk as well as a wide range of juices and nectars. The company has been able to leverage the Shakarganj name in the farming community to establish its milk collection network thereby developing a strong, sustainable and shared value based supply chain for the business function. The company sells its products throughout the country via a nationwide distribution network.

DAIRY & JUICE PLANT

- Processing and packaging plant located at Jaranwala.
- Machinery from internationally renowned companies such as Tetra Pak.
- Well-equipped, state of the art of laboratory and testing facility at the plant run by a team of technically skilled and experienced staff.
- Research facility for new product development.
- International and domestic quality certifications: HACCP, PSQCA, PFA and HILAL

MILK PROCUREMENT NETWORK

- Well established network of milk collection centers at prime locations in Pakistan.

- Collection centres run by highly skilled and experienced staff members.
- Quality procurement ensured by well-equipped laboratory and advanced testing facility.
- Advisory services provided by technical team to facilitate higher yield and enhanced milk quality to support the farming community

PULP & CONCENTRATE DIVISION

Shakarganj has significant capabilities regarding the production of fruit pulps and purees. It is one of the leading manufacturers in Pakistan and has a significant volume of exports to Europe, the Middle East, Africa and Far East. Our manufacturing and processing facility is located in the heart of the agricultural and fruit producing region of Pakistan; giving our customers an advantage in terms of product freshness, continuity of fruit supply and reduced ‘time to market’.

- Plant is located at Chiniot.
- Two processing lines for production of juice concentrates, puree and pulps.
- Product storage facilities consist of both, a refrigerated and frozen setup.
- Technically skilled and experienced manpower.
- Well-equipped laboratory and testing facilities ensure effective quality assurance according to international standards.
- International quality certifications: Food Safety System Certification 22000

DIRECTORS' REPORT

The directors of your company have pleasure in submitting their report and the unaudited condensed interim financial statements of the Company for the first quarter ended 31 December 2021.

Financial and Operational Performance:

The Company was able to crush 262,951 MT of sugarcane as compared to 316,056 MT of sugarcane in the corresponding period. There was 17% decrease in sugarcane crushed due to non-availability of sugarcane at feasible prices. Sugar recovery percentage was 8.93% as compared to 8.84% in the corresponding period of last year. Due to price war, average sugarcane cost for Shakarganj increase to Rs. 253 per 40 kg as compared to Rs. 231 per 40 kg in the corresponding period.

Our distilleries could not start its operations however, the management is planning to start its distillery operations at Biofuel Division from first week of February 2022. Due to low level of crushing and factors discussed above, the Company incurred an overall after-tax loss of Rs. 383 million as compared to after tax loss of Rs. 278 million in the corresponding period of last year.

During the quarter ended 31 December 2021, Company's overall sales revenue stood at Rs. 1,680.1 million (1QFY21: Rs. 2,306.4million) and gross loss of the Company was Rs. 266 million as compared to gross loss of Rs. 129 million in corresponding period last year. The Company's loss before tax was Rs. 383 million as compared to loss before tax of Rs. 254 million in the corresponding period.

Business Segments:

Sugar Division:

Sugar Division revenue net of tax for the first quarter of Fiscal 2022 was Rs. 1,628.98 million including inter-segment sale of Rs. 7.77 million as against net sales revenue of Rs. 1,926.03 million including inter-segment sale of Rs. 17.04 million during corresponding period of last year. Our Sugar Division crushed 262,951 MT of sugarcane and produced 21,214 MT of sugar at an average recovery of 8.93 percent as against the crushing of 316,056 MT of sugarcane to produced 25,645 MT at an average recovery of 8.84 percent in the corresponding period. Some improvements in the sugar recovery have been witnessed, however, high cost of sugarcane as well as involvement of middleman hampering the crushing campaign in the middle of the season. Due to price hike of raw material this business sustained a gross loss of 8.33% during the current period, compared to a gross loss of 4.67% during the corresponding period of last year. The bottom-line resulted in loss before tax and un-allocated expenses of Rs. 215.27 million as compared to loss before tax and un-allocated expenses of Rs. 167.39 million for the corresponding period last year.

Biofuel Division:

Net sales revenue of Biofuel Division during the period amounted to Rs. 33.65 million as compared to 55.06 million in the corresponding period last year. Gross loss for the period stood at Rs. 112.62 million as compared to gross loss of Rs. 54.56 million in corresponding period last year. The bottom-line resulted in loss before tax and un-allocated expenses of Rs. 121.40 million as compared to loss before tax and un-allocated expenses of Rs. 61.34 million for the corresponding period last year. Shakarganj was compelled to close its biofuel plants due to high raw material cost last year. Biofuel plants will start production subsequently in first week of February 2022 and export will start in due course of time. During the period under review, this division produced nil litres as compared to 0.17 million litres in the corresponding period last year.

Textile Division:

Textile Division revenue for the first quarter decreased to Rs. 12.61 million as compared to Rs. 332.47 million in corresponding period last year. Yarn production at our Textile Division was nil kg in the period under review as compared to 833,309 kg in Q1FY2021. Yarn prices have been increased and are expected to increase in line with raw material costs. Industry boost has been witnessed due to increase in demand on national and international levels and government has also provided some relief by reducing electricity tariff for the textile industry. Covid-19 threats may be converted into opportunities as the pandemic hampering the productivity on international level. By putting the textile industry in full swing through improved electricity supply to the textile manufacturing operations at feasible cost and by continuing such measures, industry boost may be capitalized at national level. The bottom-line resulted in loss before tax of Rs. 26.95 million as compared to profit before tax of Rs. 9.51 million for the corresponding period last year.

Unconsolidated Financial Position

Balance sheet footing stood at Rs. 19,268.12 million as of 31 December 2021, compared to Rs 19,135.86 million on 30 September 2021. Total shareholders' fund decreased to Rs. 10,836.80 million from Rs. 11,220.91 million as at 30 September 2021. Break-up value per share was Rs. 86.69 as compared to Rs. 89.77 per share as at 30 September 2021.

Health, Safety, Environment and Corporate Social Responsibility

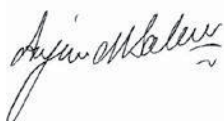
To ensure a safe and healthy work environment, the Company is adapting its health and safety practices in line with the development of the Omicron as Pakistan continues battle against uptick in COVID-19 numbers as Omicron spreads. Within the Company premises stiff checking is ensured and measures also include categorization of staff essential to be present in office for uninterrupted operations, whereas the other staff is shifted to work-from-home wherever required. Technological developments have made the minimal physical interaction possible by conversion to virtual meetings. All efforts are being made to mitigate the situation encountered by pandemic. We also actively seek opportunities to contribute to the communities in which we operate and to improve the environments that sustain us all. Our areas of primary focus are education, health and safety, energy conservation, waste reduction, and community building wherever we can afford with limited resources keeping in view the Company financial position.

Future Outlook:

Crushing is expected to increase comparatively in remaining part of the season. Future outlook of our distilleries operations is always depending on continuous availability of good quality molasses. Operations at Biofuel Division has been kicked off and expected to operate with the own molasses from Sugar Division. Difficult business environments in the textile business however, expected to start in March 2022. As mentioned in our last annual report, management taking steps to overcome the liquidity crunch and we are hopeful that the Company would be in near future.

Finally, we would like to thank all stakeholders for their patronage and look forward to their continued support.

On behalf of Board of Directors



07 February 2022

Anjum Muhammad Saleem
Chief Executive Officer



Ali Altaf Saleem
Director

Unconsolidated Condensed Interim
Financial Statements (Un-audited)
For the First Quarter ended 31 December 2021
(Shakarganj Limited)

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 DECEMBER 2021 (Un-audited)

	Note	31 December 2021 Un-Audited (Rupees in thousand)	30 September 2021 Audited
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
150,000,000 (30 September 2021: 150,000,000) ordinary shares of Rs. 10 each		1,500,000	1,500,000
50,000,000 (30 September 2021: 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 share capital		1,250,000	1,250,000
Capital Reserves			
Surplus on revaluation of property, plant and equipment - net of deferred income tax		11,234,827	11,466,335
Other capital reserve		1,643,607	1,650,092
Revenue Reserves		516,306	516,306
Accumulated losses		(3,807,943)	(3,661,819)
TOTAL EQUITY		<u>10,836,797</u>	<u>11,220,914</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	3	-	-
Deferred income - Govt. grant		-	-
Employees' retirement benefits		219,112	219,112
Deferred income tax liability		2,814,368	2,864,476
		<u>3,033,480</u>	<u>3,083,588</u>
CURRENT LIABILITIES			
Trade and other payables		3,917,090	3,336,841
Short term borrowings		935,000	935,000
Accrued Mark-up		77,256	56,524
Current portion of non-current liabilities		364,275	416,938
Unclaimed dividend		1,917	1,944
Provision for taxation		102,308	84,111
		<u>5,397,846</u>	<u>4,831,358</u>
TOTAL LIABILITIES		<u>8,431,326</u>	<u>7,914,946</u>
CONTINGENCIES AND COMMITMENTS	4		
TOTAL EQUITY AND LIABILITIES		<u>19,268,123</u>	<u>19,135,860</u>

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer

	Note	31 December 2021 Un-Audited (Rupees in thousand)	30 September 2021 Audited (Rupees in thousand)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	15,935,273	16,166,485
Biological assets		18,666	18,333
Long Term Investments	6	1,684,544	1,737,573
Long term advances and deposits		36,135	36,135
		<u>17,674,618</u>	<u>17,958,526</u>
CURRENT ASSETS			
Biological assets		10,611	16,232
Stores, spare parts and loose tools		98,078	50,572
Stock-in-trade	7	787,717	361,197
Trade debts		49,270	82,781
Loans and advances		142,933	44,955
Deposits, Prepayments and other receivables		281,891	284,512
Cash and bank balances		37,032	1,905
		<u>1,407,532</u>	<u>842,154</u>
Non-current assets held for sale	8	185,973	335,180
		<u>1,593,505</u>	<u>1,177,334</u>
TOTAL ASSETS		<u><u>19,268,123</u></u>	<u><u>19,135,860</u></u>

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.


Director


Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

For the First Quarter Ended 31 December 2021 (Un-Audited)

	Note	31 December 2021 (Rupees in thousand)	31 December 2020
Revenue	9	1,680,050	2,306,413
Cost of sales	9	(1,946,194)	(2,435,397)
Gross loss		(266,144)	(128,984)
Distribution cost		(10,734)	(9,209)
Administrative expenses		(87,805)	(84,475)
Other expenses		(1,778)	(2,044)
Other income		39,567	24,517
Loss from operations		(326,894)	(200,195)
Finance cost		(33,459)	(47,400)
Share of loss from equity accounted investee		(22,453)	(6,363)
Loss before taxation		(382,806)	(253,958)
Taxation		(459)	(24,197)
Loss after taxation		(383,265)	(278,155)
Loss per share – Basic And diluted (Rupees)		(3.07)	(2.23)

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the First Quarter Ended 31 December 2021 (Un-Audited)

	31 December 2021 (Rupees in thousand)	31 December 2020
Loss after taxation	(383,265)	(278,155)
Other comprehensive (loss) / income		
Items that will not be reclassified to profit or loss in subsequent periods:		
(Deficit) / surplus arising on remeasurement of investments at fair value through other comprehensive income	(852)	1,917
Items that may be reclassified to profit or loss in subsequent periods	-	-
Other comprehensive (loss) / income for the period	(852)	1,917
Total comprehensive loss for the period	(384,117)	(276,238)

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer


Director



Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the First Quarter Ended 31 December 2021 (Un-Audited)

	Rupees in thousand												ACCUMULATED LOSS	TOTAL EQUITY
	SHARE CAPITAL	RESERVES					REVENUE RESERVES					TOTAL		
		Premium on issue of right shares	Share in capital reserves of equity accounted investee	Fair value reserve of investments at fair value through other comprehensive income	Difference of capital under scheme of arrangement of merger	Surplus on revaluation of property, plant and equipment - net of deferred income tax	Sub total	General	Dividend equalization	Equity investment market value equalization	Sub total			
Balance as at 30 September 2020- (Audited)	1,250,000	1,056,373	472,496	(7,898)	155,930	6,087,758	7,764,659	410,606	22,700	83,000	516,306	8,280,965	(2,672,491)	6,858,474
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	(69,503)	(69,503)	-	-	-	-	(69,503)	69,503	-
Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment	-	-	-	-	-	(2,010)	(2,010)	-	-	-	-	(2,010)	2,010	-
Incremental depreciation of property, plant and equipment of equity accounted investee - net of deferred income tax	-	-	(5,922)	-	-	-	(5,922)	-	-	-	-	(5,922)	5,922	-
Loss for the period	-	-	-	-	-	-	-	-	-	-	-	-	(278,155)	(278,155)
Other comprehensive income for the period	-	-	-	1,917	-	-	1,917	-	-	-	-	1,917	-	1,917
Total comprehensive loss for the period	-	-	-	1,917	-	-	1,917	-	-	-	-	1,917	(278,155)	(276,238)
Balance as at 31 December 2020 - (Un-audited)	1,250,000	1,056,373	466,574	(5,981)	155,930	6,016,245	7,689,141	410,606	22,700	83,000	516,306	8,205,447	(2,873,211)	6,582,236
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	(177,901)	(177,901)	-	-	-	-	(177,901)	177,901	-
Adjustment of deferred income tax liability due to re-assessment at year end	-	-	-	-	-	(123,543)	(123,543)	-	-	-	-	(123,543)	-	(123,543)
Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment	-	-	-	-	-	(160,075)	(160,075)	-	-	-	-	(160,075)	160,075	-
Incremental depreciation of property, plant and equipment of equity accounted investee - net of deferred income tax	-	-	(17,764)	-	-	-	(17,764)	-	-	-	-	(17,764)	17,764	-
Transfer from dividend equalization reserve to general reserve	-	-	-	-	-	-	-	22,700	(22,700)	-	-	-	-	-
Transfer from equity investment market value equalization reserve to general reserve	-	-	-	-	-	-	-	83,000	-	(83,000)	-	-	-	-
Loss for the period	-	-	-	-	-	-	-	-	-	-	-	-	(1,109,755)	(1,109,755)
Other comprehensive income for the period	-	-	-	(5,040)	-	5,911,609	5,906,569	-	-	-	-	5,906,569	(34,593)	5,871,976
Total comprehensive loss for the period	-	-	-	(5,040)	-	5,911,609	5,906,569	-	-	-	-	5,906,569	(1,144,348)	4,762,221
Balance as at 30 September 2021- (Audited)	1,250,000	1,056,373	448,810	(11,021)	155,930	11,466,335	13,116,427	516,306	-	-	516,306	13,632,733	(3,661,819)	11,220,914
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	(165,909)	(165,909)	-	-	-	-	(165,909)	165,909	-
Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment	-	-	-	-	-	(65,599)	(65,599)	-	-	-	-	(65,599)	65,599	-
Incremental depreciation of property, plant and equipment of equity accounted investee - net of deferred income tax	-	-	(5,633)	-	-	-	(5,633)	-	-	-	-	(5,633)	5,633	-
Loss for the period	-	-	-	-	-	-	-	-	-	-	-	-	(383,265)	(383,265)
Other comprehensive loss for the period	-	-	-	(852)	-	-	(852)	-	-	-	-	(852)	-	(852)
Total comprehensive loss for the period	-	-	-	(852)	-	-	(852)	-	-	-	-	(852)	(383,265)	(384,117)
Balance as at 31 December 2021 - (Un-audited)	1,250,000	1,056,373	443,177	(11,873)	155,930	11,234,828	12,878,435	516,306	-	-	516,306	13,394,741	(3,807,943)	10,836,797

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the First Quarter Ended 31 December 2021 (Un-Audited)

	Note	31 December 2021 Rupees in thousand	31 December 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	10	(54,253)	248,825
Finance cost paid		(12,727)	(38,162)
Net increase in long term advances and deposits		-	(2,100)
Income tax paid		(2,647)	(15,534)
Net cash generated from / (used in) operating activities		(69,627)	193,029
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(35,006)	(27,757)
Proceeds from sale of property, plant and equipment		192,450	7,188
Net cash from / (used in) investing activities		157,444	(20,569)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		-	(294,040)
Proceeds from long term financing		-	165,700
Repayment of long term financing		(52,663)	-
Dividend paid		(27)	(6)
Net cash (used in) / from financing activities		(52,690)	(128,346)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		35,127	44,113
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD		1,905	8,099
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD		37,032	52,212

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the First Quarter Ended 31 December 2021 (Un-Audited)

1. The Company and its Operations

- 1.1. Shakarganj Limited (the Company) is a public limited company incorporated on 20 September 1967 in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017) and is listed on Pakistan Stock Exchange Limited. It is principally engaged in manufacture, purchase and sale of sugar, biofuel and yarn. The Company has its principal manufacturing facilities at Jhang and satellite manufacturing facilities at Bhone. The registered office of the Company is situated at E-Floor, IT Tower, 73-E/1, Hali Road, Gulberg-III, Lahore.

1.2. Going concern assumption

The Company has suffered loss after taxation of Rs. 383.27 million (Dec 2020: Rs. 278.16 million) and its accumulated losses are of Rs. 3,807.943 million (Sep 2021: Rs. 3,661.819 million). The current liabilities of the Company exceeded its current assets by Rs. 3,804.341 million (Sep 2021: Rs. 3,654.024 million). Moreover, the Company has some overdue installments of long-term financing and short-term borrowings and overdue statutory obligations. These factors indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, these condensed interim financial statements have been prepared on going concern basis due to following reasons:

- The Company is making arrangements to sell its agriculture land having market value of Rs. 755.547 million. For this purpose, approval of shareholders is being obtained as disclosed in Note 45. The proceeds through disposal of land will be utilized by the Company to pay to sugarcane growers and to settle the other liabilities of the Company while the remaining proceeds will be utilized for upgradation of plant and machinery of textile and sugar divisions at Jhang.

- The management of the Company has firmed up a turnaround plan based on disposal of the Bhone Unit of the Company which includes Sugar and Biofuel divisions. Revalued amount of freehold land, building and plant and machinery as at 30 September 2021 is Rs. 8.749 billion. Price discovery by the management for the whole Bhone Unit of the Company including related licenses / rights when built in the future plan results in debt free business, surplus funds and profits for the Company. The management has planned to seek required approvals in next couple of months for roll out of the turnaround plan.

- One of the largest shareholders of the Company has affirmed its commitment to fully financially support the Company, in case of any need.

- The Company is in the process of installing the falling film evaporator at principal unit and satellite unit also. Falling film evaporators are alternative to Robert type evaporators and helps to improve the optimization of the evaporator's station and energy efficiency of the plant. The percentage of steam's usage will be reduced by 9%. It would also increase the recovery ratio accordingly.

- The Company remains committed to its best efforts to improve liquidity portion. The financial projections of the Company show improvements in cash generation and profits.

The management considers that the measures as explained above would result in availability of adequate financial resources for the Company to sustain the continuity of its business for the foreseeable future and thus maintain its going concern status. Accordingly, these financial statements have been prepared on a going concern basis which assumes that the Company will continue to operate its business, realize its assets, and discharge its liabilities, in the normal course of business.

2. Summary of Significant Accounting Policies

2.1. Basis of preparation

a) Statement of compliance

- i). These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
- International Accounting Standard (IAS) 34 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
 - Provisions of and directives issued under the Companies Act, 2017.
 - Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.
- ii). These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 September 2021. These unconsolidated condensed interim financial statements are un-audited and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and section 237 of the Companies Act, 2017.

b) Accounting policies and computation methods

The accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are the same as approved in the preparation of the audited annual financial statements for the year ended 30 September 2021.

2.2. Critical accounting estimates, judgments and financial risk management

The preparation of these unconsolidated condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of these unconsolidated condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the audited annual financial statements of the Company for the year ended 30 September 2021.

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding annual audited published financial statements of the Company for the year ended 30 September 2021.

2.3. Seasonality of operations

The Company is, interalia, engaged in manufacturing of sugar for which the season begins in November and ends in March. Therefore, majority of expenses are incurred and production activities are undertaken during the crushing season and thus increasing volume of inventories at the end of the season.

2.4. Non-current assets held for sale

Non-current assets are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

3. Long Term Financing

Financing from banking companies and financial institution - secured

	31 December 2021 Un-Audited (Rupees in thousand)	30 September 2021 Audited
Opening balance	410,105	456,919
Add:		
Obtained during the period / year	-	165,700
Fair value adjustment	2,719	16,219
	412,824	638,838
Less:		
Repaid during the period / year	52,663	217,531
Deferred income - Government grant	-	11,202
	52,663	228,733
	360,161	410,105
Less: Current portion shown under current liabilities	(360,161)	(410,105)
	-	-

4. Contingencies and Commitments

4.1. Contingencies

There is no material change in the status of contingencies as set out in note 12.1 to the financial statements of the Company for the year ended 30 September 2021.

4.2. Commitments

There is no contract for capital and other expenditure as at 31 December 2021 (30 September 2021: Rs. Nil).

	Note	31 December 2021 Un-Audited (Rupees in thousand)	30 September 2021 Audited
5. Property, plant and equipment			
Operating fixed assets	5.1	15,774,166	16,036,918
Capital work-in-progress	5.2	161,107	129,567
		<u>15,935,273</u>	<u>16,166,485</u>
5.1 Operating fixed assets			
Opening book value		16,036,918	9,603,953
Add: Cost of addition during the period / year	5.1.1	3,466	105,481
Add: Effect of revaluation		-	7,624,939
		<u>16,040,384</u>	<u>17,334,373</u>
Less: Book value of deletion during the period / year	5.1.2	17,900	225,518
Less: Transferred to non-current assets held for sale		-	573,976
		<u>17,900</u>	<u>799,494</u>
		<u>16,022,484</u>	<u>16,534,879</u>
Less: Depreciation charged during the period / year		248,318	497,961
Closing book value		<u>15,774,166</u>	<u>16,036,918</u>
5.1.1 Cost of additions during the period / year			
Building		-	-
Plant and machinery		3,365	96,203
Tools and equipment		-	897
Office equipment		50	128
Laboratory equipment		-	3,087
Water electric and weighbridge equipment		-	4,855
Furniture and fixture		51	205
Vehicles		-	86
Library books		-	20
		<u>3,466</u>	<u>105,481</u>
5.1.2 Book value of deletions during the period / year			
Freehold land		17,900	19,147
Building		-	7
Plant and machinery		-	206,309
Tools and equipment		-	-
Water electric and weighbridge equipment		-	36
Furniture and fixture		-	9
Office equipment		-	1
Vehicles		-	8
Laboratory equipment		-	1
		<u>17,900</u>	<u>225,518</u>

	NOTE	31 December 2021 Un-Audited (Rupees in thousand)	30 September 2021 Audited
5.2 Capital work-in-progress			
Civil works		1,322	1,296
Plant and machinery		100,189	72,842
		101,511	74,138
Advances against capital work in progress		96,534	92,367
Less: Provision against doubtful advances		(36,938)	(36,938)
		59,596	55,429
		161,107	129,567
		31 December 2021 Un-Audited (Rupees in thousand)	30 September 2021 Audited
6 Long Term Investment			
Investment in equity accounted investee	6.1.1	1,675,296	1,727,473
Investment at fair value through other comprehensive income		9,248	10,100
		1,684,544	1,737,573
6.1 Investment in equity accounted investee			
Shakarganj Food Products Limited - Unquoted			
87 785 643 (30 September 2021: 87 785 643) fully paid ordinary shares of Rs. 10 each.			
Equity held: 52.39% (30 Sep 2021: 52.39%)			
6.1.1 Movement during the period / year			
Cost		590,784	590,784
Share of post acquisition reserves:			
Opening balance		1,136,689	1,074,996
Share of (loss) / profit for the period / year before taxation		(22,453)	157,377
Provision for taxation		(29,724)	(92,249)
Share of other comprehensive income for the period / year		-	(3,435)
		(52,177)	61,693
		1,084,512	1,136,689
Closing balance		1,675,296	1,727,473
		31 December 2021 Un-Audited (Rupees in thousand)	30 September 2021 Audited
7. Stock-in-Trade			
Raw materials		285,568	21,548
Work-in-process		205,466	13,283
Finished goods		296,683	326,366
		787,717	361,197

8. Non-Current Assets Held for Sale

The non-current assets classified as held for sale under IFRS-5 "Non-Current Assets held for Sale and Discontinued Operations" are summarized hereunder:

	31 December 2021 Un-Audited (Rupees in thousand)	30 September 2021 Audited
Property, plant and equipment	185,973	335,180
	<u>185,973</u>	<u>335,180</u>

Specific items of freehold land, plant and machinery of Sugar segment of the Company have been presented as held for sale following the approval of Board of Directors (BOD) of the Company in the meeting held on 04 January 2021. The buyers of these assets have been finalized and partial advances against sale of these assets aggregating to Rs. 693.300 million have been received. The management is hopeful of completing the sale transactions of the above mentioned assets uptill the end of the current financial year.

9. Business Segment Information

Rupees in thousand (Un-audited)													
Sugar		Biofuel		Textile		Farms		Others		Elimination of Inter-segment transactions		Total	
31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
9.1 Revenue													
External	1,621,219	1,908,985	33,650	55,063	12,607	332,471	12,574	9,894	-	-	-	1,680,050	2,306,413
Intersegment	7,766	17,040	-	-	-	-	2,028	4,527	-	-	(9,793)	-	-
	1,628,984	1,926,025	33,650	55,063	12,607	332,471	14,602	14,421	-	-	(9,793)	1,680,050	2,306,413
Cost of sales	(1,764,700)	(2,015,961)	(146,271)	(109,626)	(29,601)	(313,740)	(15,415)	(17,637)	-	-	9,793	(1,946,194)	(2,435,397)
Gross (loss) / profit	(135,716)	(89,936)	(112,621)	(54,563)	(16,994)	18,731	(813)	(3,216)	-	-	-	(266,144)	(128,984)
Administrative expenses	(76,292)	(73,471)	(1,576)	(2,100)	(9,683)	(8,676)	(254)	(228)	-	-	-	(87,805)	(84,475)
Distribution cost	(3,258)	(3,987)	(7,201)	(4,676)	(275)	(546)	-	-	-	-	-	(10,734)	(9,209)
	(79,550)	(77,458)	(8,777)	(6,776)	(9,958)	(9,222)	(254)	(228)	-	-	-	(98,539)	(93,684)
(Loss) / profit before taxation and unallocated income and expenses	(215,266)	(167,394)	(121,398)	(61,339)	(26,952)	9,509	(1,067)	(3,444)	-	-	-	(364,683)	(222,668)

Unallocated income and expenses:

Other expenses												(1,778)	(2,044)
Finance cost												(33,459)	(47,400)
Other income												39,567	24,517
Share of (loss) / profit for equity accounted investee												(22,453)	(6,363)
Taxation												(459)	(24,197)
Loss after taxation												(383,265)	(278,155)

9.2 Reconciliation of reportable segment assets and liabilities:

Rupees in thousand													
Sugar		Biofuel		Textile		Farms		Others		Total			
(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
31 December 2021	30 September 2021	31 December 2021	30 September 2021	31 December 2021	30 September 2021	31 December 2021	30 September 2021	31 December 2021	30 September 2021	31 December 2021	30 September 2021	31 December 2021	30 September 2021
Total assets for reportable segments													
10,765,996	10,304,250	4,947,116	4,988,417	743,018	858,091	808,724	818,929	-	-	17,264,854	16,969,687		
Unallocated assets										2,003,269	2,166,173		
Total assets as per unconsolidated condensed interim statement of financial position										19,268,123	19,135,860		
Total liabilities for reportable segments													
5,216,126	4,836,780	2,091,915	1,846,491	457,273	516,799	19,889	18,645	-	-	7,785,203	7,218,715		
Unallocated liabilities										646,123	696,231		
Total liabilities as per unconsolidated condensed interim statement of financial position										8,431,326	7,914,946	-	-

9.3 Geographical Information

The Company's revenue from external customers by geographical locations is detailed below:

Rupees in thousand (Un-audited)											
Sugar		Biofuel		Textile		Farms		Others		Total	
31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Europe	-	-	-	-	-	-	-	-	-	-	-
Asia	-	-	-	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-
Pakistan	1,621,219	1,908,985	33,650	55,063	12,607	332,471	12,574	9,894	-	1,680,050	2,306,413
	1,621,219	1,908,985	33,650	55,063	12,607	332,471	12,574	9,894	-	1,680,050	2,306,413

NOTE	Un-Audited	
	31 December 2021 (Rupees in thousand)	31 December 2020
10. CASH GENERATED FROM / (USED IN) OPERATIONS		
Loss before taxation	(382,806)	(253,958)
Adjustments for non-cash charges and other items:		
Depreciation	248,318	131,963
Loss / (gain) on sale of property, plant and equipment	(25,342)	(5,014)
Fair value adjustment of agricultural assets	2,788	9,755
Share of loss / (profit) from equity accounted investee	22,453	6,363
Unrealized loss on agriculture income	1,296	2,498
Amortization of deferred grant	-	(4,458)
Finance cost	33,459	47,400
Working capital changes	45,581	314,276
	(54,253)	248,825
10.1 Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(47,506)	(34,419)
Stock-in-trade	(426,520)	(172,741)
Trade debts	33,511	121,182
Loans and advances	(97,978)	(23,666)
Prepayments and other receivables	2,621	(2,949)
Biological assets - net	1,204	(1,216)
	(534,668)	(113,809)
Increase in trade and other payables	580,249	428,085
	45,581	314,276

11. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of subsidiary company, associated companies, key management personnel and other related parties. The Company in the normal course of business carries out transactions with various related parties as follows:

	Un-Audited	
	31 December 2021 (Rupees in thousand)	31 December 2020
i) Transactions		
Subsidiary company		
Sale of goods	5,849	51,193
Common expenses shared	357	706
Associated companies		
Purchase of goods	81,792	152,249
Common expenses shared	979	1,856
Insurance expenses	1,481	2,029
Sale of goods and rendering of services	80,909	159,987
Finance cost	8,915	9,260

		Un-Audited	
		31 December 2021 (Rupees in thousand)	31 December 2020
Short term borrowings obtained		200,000	-
Short term borrowings repaid		200,000	25,000
Other related parties			
Company's contribution to Employees' Provident Fund Trust		6,589	6,943
Service charges accrued		1,682	1,529
Remuneration and meeting fee paid to Chief Executive Officer, directors and executives		31,751	30,994
		31 December 2021 (Un-Audited) (Rupees in thousand)	30 September 2021 (Audited)
ii) Period end balances			
Subsidiary company			
Trade debts		36,540	38,631
Trade and other payables		2,000	7,523
Associated companies			
Trade and other payables		16,756	18,001
Cash and bank balances		22,120	691
Short term borrowings		425,000	425,000
Other related parties			
Trade and other payables		16,648	14,966
12. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX			
Description			
Shariah compliant bank deposits and bank balances			
Bank balances		8,193	1,016
Loans / advances obtained as per Islamic mode			
Contract liabilities		205,816	210,544
Short term borrowings		425,000	425,000
Revenue earned from shariah compliant business		1,680,050	2,306,413
Gain / (loss) or dividend earned from shariah complaint investments			
Unrealized (loss) / gain on remeasurement of investments at FVTOCI		(852)	1,917
Exchange (loss) / gain incurred		-	-
Mark-up paid on Islamic mode of financing		8,915	9,260
Profit earned or interest paid on any conventional loan / advance			
Mark-up on long term financing		10,471	14,093
Mark-up on short term borrowings		13,769	13,140
Profit earned on deposit with banks		-	10

Relationship with shariah compliant banks

Name	Relationship
Askari Bank Limited	Bank balances
BankIslami Pakistan Limited	Bank balances and short term borrowings
Bank Alfalah Limited	Bank balances
Dubai Islamic Bank Pakistan Limited	Bank balances
Meezan Bank Limited	Bank balances

12.1. There was no profit on deposits with shariah compliant banks.

13. Recognized Fair Value Measurements - Financial Instruments

13.1. Fair value hierarchy

Judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these unconsolidated condensed interim financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into following three levels. An explanation of each level follows underneath the table:

Level 1	Level 2	Level 3	Total
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(Rupees in thousand)

Financial assets - recurring fair value measurement

At 31 December 2021 - (Un-audited)

At fair value through other comprehensive income	9,248	-	-	9,248
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At 30 September 2021 - Audited

At fair value through other comprehensive income	10,100	-	-	10,100
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The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to the short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the period. Further there was no transfer out of level 3 measurements.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, trading and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of

observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

14. Date of Authorization of Issue

These unconsolidated condensed interim financial statements were approved and authorized for issue on 07 February 2022 by the Board of Directors of the Company.


15. Corresponding Figures

In order to comply with the requirements of IAS 34, the unconsolidated condensed interim statement of financial position and unconsolidated condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income and unconsolidated condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.

16. General

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.


Chief Executive Officer


Director


Chief Financial Officer

Consolidated Condensed Interim
Financial Statements (Un-audited)
For the First Quarter ended 31 December 2021
(Shakarganj Limited and Its Subsidiary Company)

CONSOLIDATED DIRECTORS' REPORT

The directors of Shakarganj Limited have pleasure in presenting their report together with the unaudited consolidated condensed financial statements of the Group for the period ended 31 December 2021. The Group comprises of Shakarganj Limited and its partially owned subsidiary namely Shakarganj Food Products Limited.

The comments on performance of Shakarganj Limited for the period ended 31 December 2021 has been presented separately in directors' report.

Financial and Operational Performance:

The financial results of the Group are summarised below:

	31 December 2021	31 December 2020
	Rupees in thousand	
Sales - net	6,026,191	6,639,689
Gross profit	191,737	372,655
Loss from operations	(289,258)	(131,057)
Loss before taxation	(403,211)	(259,740)
Taxation	(27,471)	(30,961)
Loss for the year	(430,682)	(290,701)
Loss per share - basic and diluted (Rupees)	(3.07)	(2.23)

On a consolidated basis, gross profit was Rs. 191.74 million as compared to Rs. 372.66 million in the corresponding period. We are hopeful, with the rise in demands, for improvements in the performance of the group as a whole in the remaining part of fiscal year.

On a Group basis, the consolidated balance sheet footing stood at Rs. 26,608.58 million, compared to Rs. 27,669.63 million as at 30 September 2021. Total equity decreased to Rs. 12,249.44 million on the period end 31 December 2021 from Rs. 12,680.97 million as at 30 September 2021.

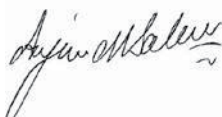
Subsequent Events and Commitments

No material changes and commitments affecting the financial position of the Shakarganj Group have occurred between the end of the financial period to which this balance sheet relates and the date of the consolidated directors' report.

Acknowledgment

The Directors wish to express their appreciation to the staff & workers of the Company for their dedication and devotion to the Company. The Directors feel pleasure in expressing appreciation for the continued interest and support of the shareholders, bankers and all other parties involved and hope that the same spirit will prevail in the future as well.

07 February 2022


Anjum Muhammad Saleem
Chief Executive Officer


Ali Altaf Saleem
Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 DECEMBER 2021 (Un-audited)

	Note	31 December 2021 Un-Audited (Rupees in thousand)	30 September 2021 Audited
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
150,000,000 (30 September 2021: 150,000,000) ordinary shares of Rs. 10 each		1,500,000	1,500,000
50,000,000 (30 September 2021: 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 share capital		1,250,000	1,250,000
Capital Reserves			
Surplus on revaluation of property, plant and equipment - net of deferred income tax		11,718,551	11,955,684
Other capital reserve		1,272,953	1,273,805
Revenue Reserves		516,306	516,306
Accumulated losses		(3,966,059)	(3,819,927)
Equity attributable to equity holders of the Holding Company		10,791,751	11,175,868
Non-controlling interest		1,457,685	1,505,102
TOTAL EQUITY		12,249,436	12,680,970
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	3	604,873	634,097
Long term deposits		7,000	7,000
Lease liabilities		479,901	534,578
Deferred liabilities		583,176	575,958
Deferred income tax liability		2,610,922	2,660,662
		<u>4,285,872</u>	<u>4,412,295</u>
CURRENT LIABILITIES			
Trade and other payables		7,775,957	8,223,571
Short term borrowings		1,284,194	1,284,194
Accrued Mark-up		97,582	85,959
Current portion of non-current liabilities		811,317	896,587
Unclaimed dividend		1,917	1,944
Provision for taxation		102,308	84,111
		<u>10,073,275</u>	<u>10,576,366</u>
TOTAL LIABILITIES		14,359,147	14,988,661
CONTINGENCIES AND COMMITMENTS	4		
TOTAL EQUITY AND LIABILITIES		<u>26,608,583</u>	<u>27,669,631</u>

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer

	Note	31 December 2021 Un-Audited (Rupees in thousand)	30 September 2021 Audited (Rupees in thousand)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	22,059,365	22,369,388
Right-of-use assets		1,266,208	1,284,228
Intangible assets		3,151	3,437
Biological assets		18,666	18,333
Long Term Investments		9,248	10,100
Long term advances		12,816	12,910
Long term deposits		128,330	129,153
		<u>23,497,784</u>	<u>23,827,549</u>
CURRENT ASSETS			
Biological assets		10,611	16,232
Stores, spare parts and loose tools		285,289	244,503
Stock-in-trade	6	1,647,972	1,968,867
Trade debts		185,943	181,513
Loans and advances		282,013	117,002
Deposits, Prepayments and other receivables		301,380	594,255
Advance income tax		110,697	100,304
Cash and bank balances		100,921	284,226
		<u>2,924,826</u>	<u>3,506,902</u>
Non-current assets held for sale		185,973	335,180
		<u>3,110,799</u>	<u>3,842,082</u>
TOTAL ASSETS		<u>26,608,583</u>	<u>27,669,631</u>

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.



Director




Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

For the First Quarter Ended 31 December 2021 (Un-Audited)

	Note	31 December 2021 (Rupees in thousand)	31 December 2020
Revenue	7	6,026,191	6,639,689
Cost of sales	7	(5,834,454)	(6,267,034)
Gross profit		191,737	372,655
Distribution cost		(389,002)	(414,758)
Administrative expenses		(129,921)	(117,530)
Other expenses		(9,429)	(1,207)
Other income		47,357	29,783
Loss from operations		(289,258)	(131,057)
Finance cost		(113,953)	(128,683)
Loss before taxation		(403,211)	(259,740)
Taxation		(27,471)	(30,961)
Loss after taxation		(430,682)	(290,701)
Share of Loss Attributable To:			
Equity Holders of Holding Company		(383,265)	(278,155)
Non-Controlling Interest		(47,417)	(12,546)
		(430,682)	(290,701)
Loss per share – Basic And diluted (Rupees)		(3.07)	(2.23)

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the First Quarter Ended 31 December 2021 (Un-Audited)

	31 December 2021 (Rupees in thousand)	31 December 2020
Loss after taxation	(430,682)	(290,701)
Other comprehensive (loss) / income		
Items that will not be reclassified to profit or loss in subsequent periods:		
(Deficit) / surplus arising on remeasurement of investments at fair value through other comprehensive income	(852)	1,917
Items that may be reclassified to profit or loss in subsequent periods	-	-
Other comprehensive (loss) / income for the period	(852)	1,917
Total comprehensive loss for the period	(431,534)	(288,784)
Share of Total Comprehensive Loss Attributable To:		
Equity Holders of Holding Company	(384,117)	(276,238)
Non-Controlling Interest	(47,417)	(12,546)
	<u>(431,534)</u>	<u>(288,784)</u>

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer


Director



Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the First Quarter Ended 31 December 2021 (Un-Audited)

	Rupees in thousand															
SHARE CAPITAL	RESERVES											ACCUMU- LATED LOSS	SHAREHO- LDERS' EQUITY	NON- CONTROL- LING INTEREST	TOTAL EQUITY	
	CAPITAL RESERVES						REVENUE RESERVES				Total Reserves					
	Premium on issue of right shares	Fair value reserve of investments at fair value through other comprehensive income	Difference of capital under scheme of arrangement of merger	Surplus on revaluation of property, plant and equipment - net of deferred income tax	Musharakah financing - equity portion	Sub total	General	Dividend equalization	Equity investment market value equalization	Sub total						
Balance as at 30 September 2020	1,250,000	1,056,373	(7,898)	155,930	6,600,793	72,523	7,877,721	410,606	22,700	83,000	516,306	8,394,027	(2,695,569)	6,948,458	1,449,037	8,397,495
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	(74,884)	-	(74,884)	-	-	-	-	(74,884)	74,884	-	-	-
Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment - net of deferred income tax					(2,010)		(2,010)					(2,010)	2,010			
Loss for the period	-	-	-	-	-	-	-	-	-	-	-	-	(278,155)	(278,155)	(12,546)	(290,701)
Other comprehensive income for the period	-	-	1,917	-	-	-	1,917	-	-	-	-	1,917	-	1,917	-	1,917
Total comprehensive income / (loss) for the period	-	-	1,917	-	-	-	1,917	-	-	-	-	1,917	(278,155)	(276,238)	(12,546)	(288,784)
Balance as at 31 December 2020	1,250,000	1,056,373	(5,981)	155,930	6,523,899	72,523	7,802,744	410,606	22,700	83,000	516,306	8,319,050	(2,896,830)	6,672,220	1,436,491	8,108,711
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	(196,206)	-	(196,206)	-	-	-	-	(196,206)	196,206	-	-	-
Adjustment of deferred income tax liability due to re-assessment at year end	-	-	-	-	(123,543)	-	(123,543)	-	-	-	-	(123,543)	-	(123,543)	-	(123,543)
Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment	-	-	-	-	(160,075)	-	(160,075)	-	-	-	-	(160,075)	160,075	-	-	-
Transfer from dividend equalization reserve to general reserve								22,700	(22,700)		-					
Transfer from equity investment market value equalization reserve to general reserve								83,000		(83,000)	-					
Loss for the period	-	-	-	-	-	-	-	-	-	-	-	-	(124,478)	(124,478)	71,732	(117,305)
Other comprehensive income for the period	-	-	(5,040)	-	5,911,609	-	5,906,569	-	-	-	-	5,906,569	(34,594)	5,871,975	(3,121)	5,868,854
Total comprehensive loss for the period	-	-	(5,040)	-	5,911,609	-	5,906,569	-	-	-	-	5,906,569	(1,279,378)	4,627,191	68,611	4,695,802
Balance as at 30 September 2021	1,250,000	1,056,373	(11,021)	155,930	11,955,684	72,523	13,229,489	516,306	-	-	516,306	13,745,795	(3,819,927)	11,175,868	1,505,102	12,680,970
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	(171,534)	-	(171,534)	-	-	-	-	(171,534)	171,534	-	-	-
Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment - net of deferred income tax	-	-	-	-	(65,599)	-	(65,599)	-	-	-	-	(65,599)	65,599	-	-	-
Loss for the period	-	-	-	-	-	-	-	-	-	-	-	-	(383,265)	(383,265)	(47,417)	(430,682)
Other comprehensive income for the period	-	-	(852)	-	-	-	(852)	-	-	-	-	(852)	-	(852)	-	(852)
Total comprehensive loss for the period	-	-	(852)	-	-	-	(852)	-	-	-	-	(852)	(383,265)	(384,117)	(47,417)	(431,534)
Balance as at 31 December 2021	1,250,000	1,056,373	(11,873)	155,930	11,718,551	72,523	12,991,504	516,306	-	-	516,306	13,507,810	(3,966,059)	10,791,751	1,457,685	12,249,436

The annexed notes form an integral part of these consolidated condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the First Quarter Ended 31 December 2021 (Un-Audited)

	Note	31 December 2021 Rupees in thousand	31 December 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	8	2,427	150,806
Finance cost paid		(92,585)	(122,738)
Net decrease in long term advances		94	1,503
Net decrease / (increase) in long term security deposits		823	(2,100)
Employees' benefits paid		(2,844)	(5,050)
Income tax paid		(69,407)	(72,364)
Net cash generated from / (used in) operating activities		(161,492)	(49,943)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(36,471)	(59,642)
Proceeds from disposal of property, plant and equipment		193,601	7,557
Net cash from / (used in) investing activities		157,130	(52,085)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		-	(294,040)
Repayment of long term financing		(95,163)	-
Proceeds from long term financing		-	158,998
Lease liabilities - net		(83,753)	114,063
Dividend paid		(27)	(6)
Net cash used in financing activities		(178,943)	(20,985)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(183,305)	(123,013)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD		284,226	330,012
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD		100,921	206,999

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the First Quarter Ended 31 December 2021 (Un-Audited)

1. The Group and its Operations

The Group consists of Shakarganj Limited (the Holding Company) and its Subsidiary Company, Shakarganj Food Products Limited. Brief profiles of the Holding Company and its Subsidiary Company are as follows:

Shakarganj Limited

Shakarganj Limited (SML) is a public limited company incorporated on 20 September 1967 in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017) and is listed on Pakistan Stock Exchange Limited. It is principally engaged in manufacture, purchase and sale of sugar, biofuel and yarn. SML has its principal manufacturing facilities at Jhang and satellite manufacturing facilities at Bhone. The registered office of SML is situated at E-Floor, IT Tower, 73-E/1, Hali Road, Gulberg-III, Lahore

The Holding Company has suffered loss after taxation of Rs. 383.27 million (Dec 2020: Rs. 278.16 million) and its accumulated losses are of Rs. 3,807.943 million (Sep 2021: Rs. 3,661.819 million). The current liabilities of the Holding Company exceeded its current assets by Rs. 3,804.341 million (Sep 2021: Rs. 3,654.024 million). Moreover, the Holding Company has some overdue installments of long-term financing and short-term borrowings and overdue statutory obligations. These factors indicate the existence of material uncertainty which may cast significant doubt about the Holding Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, the condensed interim financial statements of the Holding Company have been prepared on going concern basis due to following reasons:

- The management of the Holding Company has firmed up a turnaround plan based on disposal of the Bhone Unit of the Holding Company which includes Sugar and Biofuel divisions. Revalued amount of freehold land, building and plant and machinery as at 30 September 2021 is Rs. 8.749 billion. Price discovery by the management for the whole Bhone Unit of the Holding Company including related licenses / rights when built in the future plan results in debt free business, surplus funds and profits for the Holding Company. The management has planned to seek required approvals in next couple of months for roll out of the turnaround plan.

- One of the largest shareholders of the Holding Company has affirmed its commitment to fully financially support the Holding Company, in case of any need.

- The Holding Company is in the process of installing the falling film evaporator at principal unit and satellite unit also. Falling film evaporators are alternative to Robert type evaporators and helps to improve the optimization of the evaporator's station and energy efficiency of the plant. The percentage of steam's usage will be reduced by 9%. It would also increase the recovery ratio accordingly.

- The Holding Company remains committed to its best efforts to improve liquidity portion. The financial projections of the Holding Company show improvements in cash generation and profits.

The management considers that the measures as explained above would result in availability of adequate financial resources for the Holding Company to sustain the continuity of its business for the foreseeable future and thus maintain its going concern status. Accordingly, the financial statements of the Holding Company have been prepared on a going concern basis which assumes that the Holding

Company will continue to operate its business, realize its assets, and discharge its liabilities, in the normal course of business.

Shakarganj Food Products Limited

Shakarganj Food Products Limited (SFPL) was incorporated in Pakistan initially as a private limited company on 03 April 2001 under the Companies Ordinance, 1984 (Now Companies Act, 2017). Its name was later changed from A.M. Fruit Products (Private) Limited to Shakarganj Food Products Limited along with change of its status from private limited to public limited on 03 January 2006. The principal activity of the SFPL is manufacturing, processing and sale of food products (dairy, fruit pulps and concentrate juices). The registered office of SFPL is situated at E-Floor, IT Tower, 73-E/1, Hali Road, Gulberg-III, Lahore.

SML held 52.39% shares of SFPL as at 31 December 2021 (September 2021: 52.39%)

2. Summary of Significant Accounting Policies

2.1. Basis of preparation

a) Statement of compliance

- i). These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
 - International Accounting Standard (IAS) 34 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
 - Provisions of and directives issued under the Companies Act, 2017.
 - Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.
- ii). These consolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 September 2021. These unconsolidated condensed interim financial statements are un-audited, however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and section 237 of the Companies Act, 2017.

b) Accounting policies and computation methods

The accounting policies and methods of computation adopted in the preparation of these consolidated financial statements are the same as approved in the preparation of the audited annual financial statements of the Group for the year ended 30 September 2021.

2.2. Critical accounting estimates, judgments and financial risk management

The preparation of these consolidated condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience

and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of these consolidated condensed interim financial statements, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual financial statements of the Company for the year ended 30 September 2021.

The Group's financial risk management objectives and policies are consistent with those disclosed in the preceding annual audited published financial statements of the Group for the year ended 30 September 2021.

23. Seasonality of operations

Due to seasonal nature of sugar segment operating results are expected to fluctuate in the next three quarters of the year than the first three months.

3. Long Term Financing

	31 December 2021 Un-Audited (Rupees in thousand)	30 September 2021 Audited
Opening balance	1,276,702	1,346,880
Add: Obtained during the period / year	-	165,700
Add: Unwinding of discount / Fair value adjustment	9,745	30,404
Less: Repaid during the period / year	(95,163)	(266,282)
	1,191,284	1,276,702
Less: Current portion shown under current liabilities	(586,411)	(642,605)
	604,873	634,097

4. Contingencies and Commitments

4.1. Contingencies

There is no material change in the status of contingencies as set out in note 14(a) to the financial statements of the Group for the year ended 30 September 2021.

4.2. Commitments

- i). Contracts for capital expenditure of Group are of Rs. Nil as at 31 December 2021 (30 September 2021: Rs. Nil).
- ii). Ijarah (operating lease) commitments are of Rs. 11,501 million as at 31 December 2021 (30 September 2021: Rs. 15,862 million).

	Note	31 December 2021 Un-Audited (Rupees in thousand)	30 September 2021 Audited (Rupees in thousand)
5. Property, plant and equipment			
Operating fixed assets	5.1	21,898,258	22,239,821
Capital work-in-progress		161,107	129,567
		<u>22,059,365</u>	<u>22,369,388</u>
5.1 Operating fixed assets			
Opening book value		22,239,821	15,961,600
Add: Cost of addition during the period / year	5.1.1	4,931	289,473
Add: Effect of revaluation		-	7,624,939
		<u>22,244,752</u>	<u>23,876,012</u>
Less: Book value of deletion during the period / year		18,547	230,587
Less: Transferred to non-current assets held for sale		-	573,976
		<u>18,547</u>	<u>804,563</u>
		22,226,205	23,071,449
Less: Depreciation charged during the period / year		327,947	831,628
Closing book value		<u>21,898,258</u>	<u>22,239,821</u>
5.1.1 Cost of additions during the period / year			
Building		-	11,547
Plant and machinery		3,365	251,121
Tools and equipment		-	897
Office equipment		1,404	3,400
Laboratory and milk collection equipment		-	3,087
Water electric and weighbridge equipment		-	14,559
Electric installations		55	-
Furniture and fixture		107	2,916
Vehicles		-	1,926
Library books		-	20
		<u>4,931</u>	<u>289,473</u>
6. Stock-in-Trade			
Raw materials		534,241	1,100,338
Work-in-process		217,665	13,283
Finished goods		896,066	855,246
		<u>1,647,972</u>	<u>1,968,867</u>

7. SEGMENT INFORMATION

7.1

																Rupees in thousand (Un-audited)	
Sugar		Biofuel		Textile		Farms		Dairy		Juice		Others		Elimination of Inter-segment transactions		Total	
31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December
2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenue																	
External Intersegment	1,615,370 13,615	1,849,959 17,040	33,650 -	55,063 -	12,607 -	332,471 -	12,574 2,028	9,894 4,527	4,321,051 -	4,377,123 -	30,939 3,345	15,179 12,856	- -	- -	(18,988) (34,423)	6,026,191 -	6,639,689 -
Cost of sales	1,628,985 (1,764,700)	1,866,999 (2,015,961)	33,650 (146,271)	55,063 (109,626)	12,607 (29,601)	332,471 (313,740)	14,602 (15,415)	14,421 (17,637)	4,321,051 (3,853,478)	4,377,123 (3,802,691)	34,284 (43,977)	28,035 (41,802)	- -	- -	18,988 34,423	6,026,191 (5,834,454)	6,639,689 (6,267,034)
Gross (loss) / profit	(135,715)	(148,962)	(112,621)	(54,563)	(16,994)	18,731	(813)	(3,216)	-467,573	574,432	(9,693)	(13,767)	-	-	-	191,737	372,655
Administrative expenses	(76,292)	(73,471)	(1,576)	(2,100)	(9,683)	(8,676)	(254)	(228)	(42,115)	(33,054)	-	-	-	-	-	(129,921)	(117,530)
Distribution cost	(3,258)	(3,987)	(7,201)	(4,676)	(275)	(546)	-	-	(377,338)	(404,619)	(930)	(930)	-	-	-	(389,002)	(414,758)
	(79,550)	(77,458)	(8,777)	(6,776)	(9,958)	(9,222)	(254)	(228)	(419,453)	(437,673)	(930)	(930)	-	-	-	(518,923)	(532,288)
(Loss) / profit, before taxation and unallocated income and expenses	(215,265)	(226,420)	(121,398)	(61,339)	(26,952)	9,509	(1,067)	(3,444)	48,120	136,759	(10,623)	(14,697)	-	-	-	(327,186)	(159,633)
Unallocated Income and expenses:																	
Other expenses																(9,429)	(1,207)
Finance cost																(113,953)	(128,683)
Other income																47,357	29,783
Taxation																(27,471)	(30,961)
Loss after taxation																(430,682)	(290,701)

7.2 Reconciliation of reportable segment assets and liabilities:

																Rupees in thousand (Un-audited) (Audited)	
Sugar		Bio Fuel		Textile		Farms		Dairy		Juice		Others		Total			
Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited		
31 December 2021	30 September 2021	31 December 2021	30 September 2021	31 December 2021	30 September 2021	31 December 2021	30 September 2021	31 December 2021	30 September 2021	31 December 2021	30 September 2021	31 December 2021	30 September 2021	31 December 2021	30 September 2021		
Total assets for reportable segments																26,280,610	27,230,932
Unallocated assets																327,973	438,699
Total assets as per consolidated condensed Interim statement of financial position																26,608,583	27,669,631
Total liabilities for reportable segments																14,116,490	14,729,230
Unallocated liabilities																242,657	259,431
Total liabilities as per consolidated condensed Interim statement of financial position																14,359,147	14,988,661

	NOTE	31 December 2021 (Rupees in thousand)	31 December 2020
8. CASH GENERATED FROM OPERATIONS			
Loss before taxation		(403,211)	(259,740)
Adjustments for non-cash charges and other items:			
Depreciation on fixed assets		327,947	214,611
Depreciation on leased assets		18,020	-
Amortization of intangible asset		286	325
Gain on sale of property, plant and equipment		(25,847)	(5,851)
Finance cost		113,953	128,683
Exchange loss		104	272
Provision for employees' retirement benefits		10,338	24,169
Amortization of deferred income		(276)	(4,734)
Fair value adjustment of agricultural assets		2,788	9,755
Unrealized loss / (gain) on agriculture income		1,296	2,498
Working capital changes	8.1	(42,971)	40,818
		<u>2,427</u>	<u>150,806</u>
8.1 Working capital changes			
(Increase) / decrease in current assets:			
Stores, spare parts and loose tools		(40,786)	(27,339)
Stock-in-trade		320,895	(514)
Trade debts		(4,430)	163,100
Loans and advances		(165,011)	31,894
Prepayments and other receivables		292,771	8,967
Biological assets - net		1,204	(1,216)
		<u>404,643</u>	<u>174,892</u>
(decrease) / increase in trade and other payables		(447,614)	(134,074)
		<u>(42,971)</u>	<u>40,818</u>

9. TRANSACTIONS WITH RELATED PARTIES

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

	31 December 2021 (Rupees in thousand)	31 December 2020
i) Transactions		
Associated companies		
Purchase of goods	81,792	152,249
Common expenses shared	1,559	1,856
Insurance expenses	1,481	2,029
Sale of goods and rendering of services	80,909	159,987
Markup on borrowings	13,349	7,849

	31 December 2021 (Rupees in thousand)	31 December 2020 (Rupees in thousand)
Ijarah rentals	87	616
Short term borrowings obtained	200,000	-
Short term borrowings repaid	200,000	25,000
Other related parties		
Holding Company's contribution to employee retirement benefits	6,589	6,943
Markup expenses	-	-
Godown and guest house rent	2,315	5,726
Share of common expenses	2,575	2,575
Remuneration and meeting fee paid to Chief Executive Officer, directors and executives	95,929	95,172

	31 December 2021 (Un-Audited) (Rupees in thousand)	30 September 2021 (Audited) (Rupees in thousand)
ii) Period end balances		
Associated companies		
Trade and other payables	16,756	18,001
Cash and bank balances	26,335	691
Short term borrowings	425,000	425,000
Other related parties		
Trade and other payables	19,745	14,966

10. Date of Authorization of Issue

These consolidated condensed interim financial statements were approved and authorized for issue on 07 February 2022 by the Board of Directors of the Company.

11. 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.

12. General

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.


Chief Executive Officer

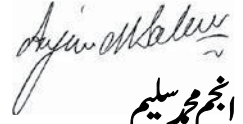

Director


Chief Financial Officer

اظہار تشکر

ڈائریکٹر کمپنی کے عملے اور کارکنوں کی کمپنی کے لئے لگن اور جان نثاری کو سراہتے ہیں۔ ڈائریکٹر حصص داران، بینکوں اور شریک تمام جماعتوں کی مسلسل دلچسپی اور حمایت کی تعریف کا اظہار کرنے میں خوشی محسوس کرتے ہیں اور امید رکھتے ہیں کہ مستقبل میں بھی یہی جذبہ غالب رہے گا۔

منجانب بورڈ



انجم محمد سلیم

چیف ایگزیکٹو آفیسر



علی الطاف سلیم

ڈائریکٹر

07 فروری 2022ء

ڈائریکٹرز کی مجتمع رپورٹ

شکرگنج لمیٹڈ کے ڈائریکٹرز 31 دسمبر 2021 کو ختم ہونے والے پیریڈ کے لئے گروپ کے غیر آڈٹ شدہ مجتمع مالی حسابات کے ساتھ اپنی رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔ اس گروپ میں شکرگنج لمیٹڈ اور اس کی جزوی طور پر ملکیتی ماتحت ادارہ ہے جس کا نام شکرگنج فوڈ پروڈکٹس لمیٹڈ ہے۔

31 دسمبر 2021 کو ختم ہونے والے پیریڈ کے لئے شکرگنج لمیٹڈ کی کارکردگی سے متعلق تبصروں کو ڈائریکٹرز کی رپورٹ میں الگ سے پیش کیا گیا ہے۔

گروپ کے مالیاتی نتائج:

گروپ کے مالیاتی نتائج کا خلاصہ حسب ذیل ہے:

روپے ہزاروں میں

31 دسمبر 2020	31 دسمبر 2021	
6,639,689	6,026,191	فروخت
372,655	191,737	مجموعی منافع
(131,057)	(289,258)	آپریشنز سے نقصان
(259,740)	(403,211)	قبل از ٹیکس نقصان
(30,961)	(27,471)	ٹیکسیشن
(290,701)	(430,682)	بعد از ٹیکس نقصان
(2.23)	(3.07)	نقصان فی شیئر - بنیادی اور معتدل (روپے)

ایک مجتمع بنیاد پر، مجموعی منافع پچھلے سال کی اسی مدت میں 372.66 ملین روپے نقصان کے مقابلے میں 191.74 ملین روپے تھا۔ ہم مالی سال کے بقیہ حصے میں ڈیماڈ میں اضافے کے ساتھ مجموعی طور پر گروپ کی کارکردگی میں بہتری کے لئے پرامید ہیں۔

گروپ کی بنیاد پر، مجتمع بیلنس شیٹ 30 ستمبر 2021 کے 27,669.63 ملین روپے کے مقابلے میں 26,608.58 ملین روپے پر رہی۔ ٹوٹل ایکویٹی 30 ستمبر 2021 کے 12,680.97 ملین روپے کے مقابلے میں 12,249.44 ملین روپے تک کم ہو گئی۔

بعد کے واقعات اور وعدے

مالی سال جس سے یہ بیلنس شیٹ متعلقہ ہے کے اختتام اور ڈائریکٹرز رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حالت پر اثر انداز ہونے والی کوئی مادی تبدیلیاں وقوع پذیر اور وعدے نہیں کئے گئے ہیں۔

غیرمجموعی مالی پوزیشن

31 دسمبر 2021 چے بیلنس شیٹ 30 ستمبر 2021 کے 19,135.86 ملین روپے کے مقابلے میں 19,268.12 ملین روپے پر رہی۔ مجموعی شیئر ہولڈرز فنڈ 30 ستمبر 2021 کے 11,220.91 ملین روپے کے مقابلے میں 10,836.80 ملین روپے تک کم ہو گیا۔ 30 ستمبر 2021 کی بریک اپ ویلیو 89.77 روپے کے مقابلے میں بریک اپ ویلیو 86.69 روپے تھی۔

صحت، حفاظت، ماحول اور کارپوریٹ سماجی ذمہ داری


ایک محفوظ اور صحت مند کام کے ماحول کو یقینی بنانے کے لیے، کمپنی Omicron کی ڈیولپمنٹ کے مطابق اپنی صحت اور حفاظت کے طریقوں کو ڈھال رہی ہے کیونکہ Omicron کے پھیلنے کے ساتھ ساتھ پاکستان COVID-19 کی تعداد میں اضافے کے خلاف جنگ جاری رکھے ہوئے ہے۔ کمپنی کے احاطے کے اندر سخت چیکنگ کو یقینی بنایا گیا ہے اور اقدامات میں عمل کی درجہ بندی بھی شامل ہے جو بلا تعطل کارروائیوں کے لیے دفتر میں موجود ہونا ضروری ہے، جبکہ دوسرے عملے کو جہاں بھی ضرورت ہو گھر سے کام پر منتقل کر دیا جاتا ہے۔ تکنیکی ترقیات نے کم سے کم جسمانی تعامل کو مجازی میٹنگز میں تبدیل کر کے ممکن بنایا ہے۔ وبائی امراض سے پیدا ہونے والی صورتحال کو کم کرنے کی تمام کوششیں کی جارہی ہیں۔ ہم فعال طور پر ان کمیونٹیز میں حصہ ڈالنے کے مواقع تلاش کرتے ہیں جن میں ہم کام کرتے ہیں اور ان ماحول کو بہتر بنانے کے لیے جو ہم سب کو برقرار رکھتے ہیں۔ ہمارے بنیادی توجہ کے شعبے تعلیم، صحت اور حفاظت، توانائی کا تحفظ، فضلہ میں کمی، اور کمیونٹی کی تعمیر ہیں جہاں ہم کمپنی کی مالی حالت کو مد نظر رکھتے ہوئے محدود وسائل کے ساتھ برداشت کر سکتے ہیں۔

مستقبل کا نقطہ نظر

سیزن کے بقیہ حصے میں کرٹیک میں نسبتاً اضافہ متوقع ہے۔ ہماری ڈسٹریبز کے کاموں کا مستقبل کا نقطہ نظر ہمیشہ اچھے معیار کے مولاس کی مسلسل دستیابی پر منحصر ہوتا ہے۔ بائیو فیول ڈویژن میں آپریشنز شروع کر دیے گئے ہیں اور توقع ہے کہ شوگر ڈویژن کے اپنے مولاس کے ساتھ کام کریں گے۔ ٹیکسٹائل کے کاروبار میں مشکل کاروباری ماحول ہے، تاہم، مارچ 2022 میں شروع ہونے کی توقع ہے۔ جیسا کہ ہماری آخری سالانہ رپورٹ میں بتایا گیا ہے، انتظامیہ لیکویڈیٹی کی کمی پر قابو پانے کے لیے اقدامات کر رہی ہے اور ہمیں امید ہے کہ کمپنی مستقبل قریب میں کامیاب ہو جائے گی۔

آخر میں، ہم تمام اسٹیک ہولڈرز کی سرپرستی کے لیے ان کا شکریہ ادا کرنا چاہیں گے اور ان کی مسلسل حمایت کے منتظر ہیں۔

منجانب بورڈ



انجم محمد سلیم

چیف ایگزیکٹو آفیسر



علی الطاف سلیم

ڈائریکٹر

07 فروری 2022ء

ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز اپنی رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں اور 31 دسمبر 2021 کو ختم ہونے والی پہلی سہ ماہی کے لئے کمپنی کے غیر مجتمع عبوری مالی بیانات پیش کرنے پر خوش ہیں۔

مالی اور آپریشنل کارکردگی

کمپنی 316,056 میٹرک ٹن گنے کے مقابلے میں 262,951 میٹرک ٹن گنے کو کرش کرنے کے قابل رہی۔ قابل عمل قیمتوں پر گنے کی عدم دستیابی کی وجہ سے گنے کی کرشنگ میں 17 فیصد کمی واقع ہوئی۔ چینی کی ریکوری پچھلے سال اس پیریڈ کے 8.84 فیصد کے مقابلے میں 8.93 فیصد رہی۔ قیمتوں کی جنگ کی وجہ سے شکر گنج کے لیے گنے کی اوسط قیمت پچھلے سال 231 روپے فی 40 کلوگرام کے مقابلے میں 253 روپے فی کلوگرام تک بڑھ گئی۔

ہماری ڈسٹریبٹرز اپنا کام شروع نہیں کر سکیں، تاہم انتظامیہ فروری 2022 کے پہلے ہفتے سے بائیو فیول ڈویژن میں اپنے ڈسٹری آپریشنز شروع کرنے کا منصوبہ بنا رہی ہے۔ کرشنگ کی کم سطح اور اوپر بتائے گئے عوامل کی وجہ سے، کمپنی کو مجموعی طور پر پچھلے سال کے 278 ملین روپے کے مقابلے میں 383 ملین روپے بعد از ٹیکس نقصان ہوا۔

مالی سال 2022 کی پہلی سہ ماہی کے دوران، کمپنی کی مجموعی فروخت سے آمدنی 1,680.1 ملین روپے (1QFY2021: 2,306.4 ملین روپے) رہی۔ اس عرصے کے دوران کمپنی کا مجموعی خسارہ پچھلے سال کے اسی عرصے کے مجموعی خسارے 129 ملین روپے کے برعکس 266 ملین روپے رہا۔ ٹیکس سے پہلے کمپنی کا خسارہ پچھلی مدت کے 254 ملین روپے کے مقابلے میں 383 ملین روپے تھا۔

کاروباری شعبہ جات شوگر ڈویژن

مالی سال 2022 کی پہلی سہ ماہی میں شوگر ڈویژن کی آمدنی پچھلے سال کی خالص فروخت 1,926.03 ملین روپے بشمول انٹر سیگمنٹ فروخت 17.04 ملین روپے کے مقابلے میں 1,628.98 ملین روپے بشمول انٹر سیگمنٹ فروخت 7.77 ملین روپے رہی۔ ہمارے شوگر ڈویژن نے پچھلے سال 316,056 میٹرک ٹن گنا کرش کر کے 8.84 فی صد کی ریکوری سے 25,645 میٹرک ٹن چینی پیدا کرنے کے مقابلے میں 262,951 میٹرک ٹن گنا کرش کیا اور 8.93 فی صد کی ریکوری سے 21,214 میٹرک ٹن چینی پیدا کی۔ شوگر کی ریکوری میں کچھ بہتری دیکھی گئی ہے، تاہم، گنے کی زیادہ قیمت اور ساتھ ہی ساتھ مل مین کی شمولیت نے سیزن کے وسط میں کرشنگ مہم میں رکاوٹ ڈالی ہے۔ خام مال کی قیمتوں میں اضافے کی وجہ سے رواں سال کے دوران اس کا روبا کو 8.33 فیصد کا مجموعی نقصان ہوا ہے، جبکہ پچھلے سال کے اسی عرصے کے دوران اس میں مجموعی طور پر 4.67 فیصد کا نقصان ہوا تھا۔ بوٹم لائن پچھلے سال کے اسی عرصے میں ٹیکس اور غیر مختص اخراجات سے پہلے 167.39 ملین روپے خسارے کے مقابلے میں ٹیکس اور غیر مختص اخراجات سے پہلے 215.27 ملین روپے کا خسارہ ہوا۔

بائیو فیول ڈویژن

بائیو فیول ڈویژن کی خالص فروخت آمدنی پچھلے سال اس عرصے کے دوران 55.06 ملین روپے کے مقابلے میں 33.65 ملین روپے تھی۔ اس مدت کا مجموعی نقصان پچھلے سال کے 54.56 ملین روپے نقصان کے مقابلے میں 112.62 ملین روپے رہا۔ بوٹم لائن پچھلے سال کے اسی عرصے میں ٹیکس اور غیر مختص اخراجات سے پہلے 61.34 ملین روپے خسارے کے مقابلے میں ٹیکس اور غیر مختص اخراجات سے پہلے 121.40 ملین روپے کا خسارہ ہوا۔ شکر گنج گزشتہ سال زیادہ خام مال کی لاگت کی وجہ سے اپنے بائیو فیول پلانٹس کو بند کرنے پر مجبور تھا۔ بائیو فیول پلانٹس بعد میں فروری 2022 کے پہلے ہفتے میں پیداوار شروع کر دیں گے اور مقررہ وقت پر برآمد شروع ہو جائے گی۔ زیر جائزہ مدت کے دوران، اس ڈویژن نے پچھلے سال کی اسی مدت میں 0.17 ملین لیٹرز کے مقابلے کوئی پیداوار نہیں کی۔

ٹیکسٹائل ڈویژن

پہلی سہ ماہی میں ٹیکسٹائل ڈویژن کی آمدنی پچھلے سال اس عرصے میں 332.47 ملین روپے سے کم ہو کر 12.61 ملین روپے ہو گئی۔ ہمارے ٹیکسٹائل ڈویژن میں زیر جائزہ مدت میں یارن کی پیداوار Q1FY2021 کی 833,309 کلوگرام کے مقابلے میں صفر رہی۔ یارن کی قیمتوں میں اضافہ ہوا ہے اور خام مال کی قیمتوں کے مطابق بڑھنے کی توقع کی جاتی ہے۔ قومی اور بین الاقوامی سطح پر طلب میں اضافے کی وجہ سے صنعت کو فروغ ملا ہے اور حکومت نے ٹیکسٹائل کی صنعت کے لئے بجلی کے نرخوں میں کمی کر کے کچھ ریلیف بھی فراہم کیا ہے۔ COVID-19 خطرات کو مواقع میں تبدیل کیا جاسکتا ہے کیونکہ اس وبائی مرض سے بین الاقوامی سطح پر پیداواری صلاحیت میں رکاوٹ آئی ہے۔ ممکنہ قیمت پر ٹیکسٹائل مینوفیکچرنگ کے کاموں کو بہتر بجلی کی فراہمی کے ذریعے ٹیکسٹائل انڈسٹری کو بھرپور انداز میں چلانے اور اس طرح کے اقدامات کو جاری رکھنے سے قومی سطح پر صنعت کو فروغ دیا جاسکتا ہے۔ بوٹم لائن پچھلے سال کے اسی عرصے میں ٹیکس سے پہلے 9.51 ملین روپے منافع کے مقابلے میں ٹیکس سے پہلے 26.95 ملین روپے کا خسارہ ہوا



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