





Corporate Briefing **Session**

For the year 30 September 2021



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, biofuel, 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 Executive floor, IT Tower, 73-E 1, Hali Road, Gulberg-III, Lahore

Company Registration Number: 0002546

National Tax Number: 1413603-1

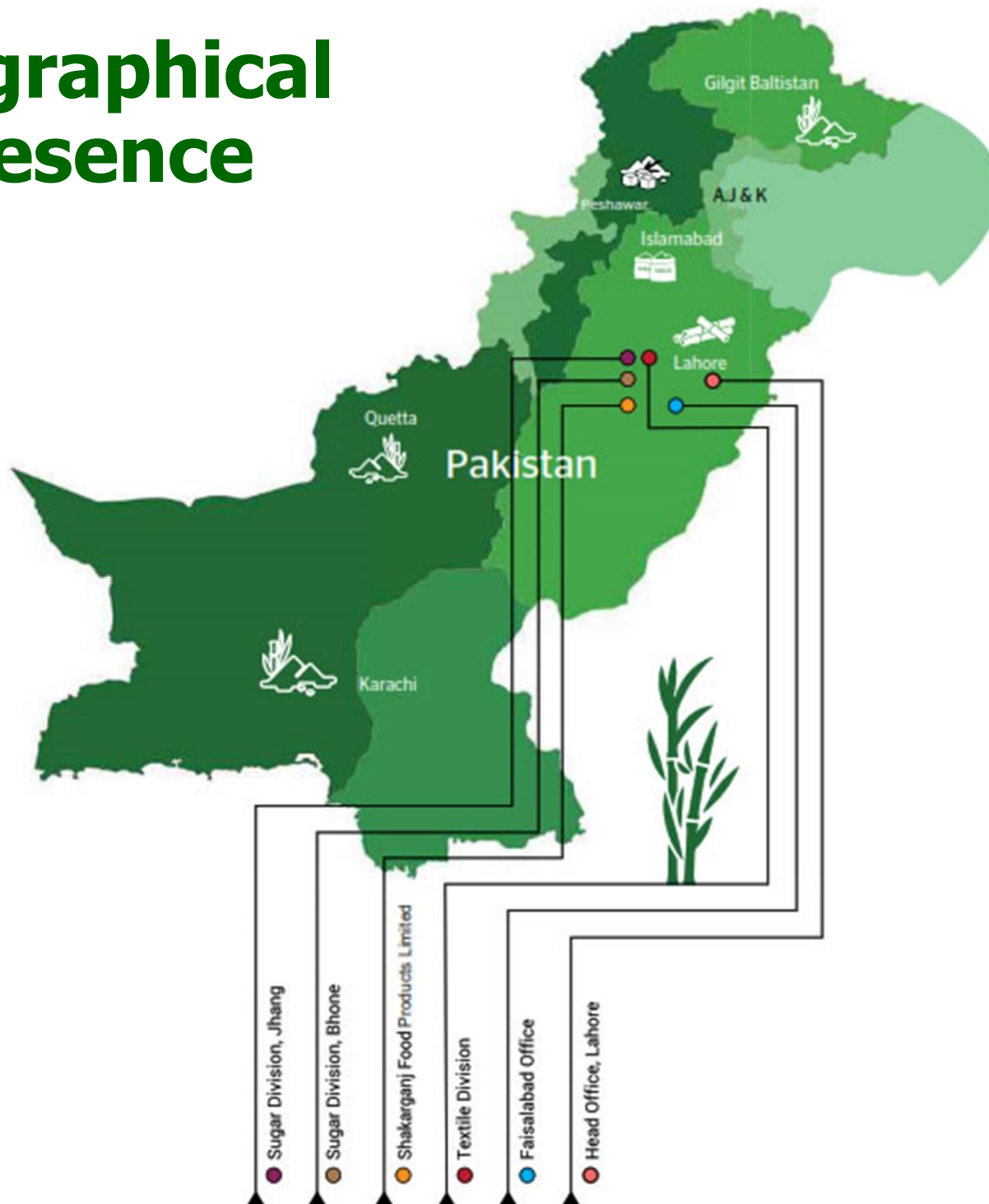
Sales Tax Number: 04-06-1703-002-46

Incorporated on: 20 September 1967

PSX Symbol: SML



Geographical Presence





Our History



Our History (1967 to 2020)

1967	1983
Incorporation as a Public Limited Company	Establishment of Shakarganj Sugar Research Institute (SSRI)
Erection of First Sugar Factory with crushing capacity 1,500 Tons of Cane per Day (TCD)	1985
1972	Erection of First Biofuel Plant with a capacity of 40,000 Litres per Day
Start of operations	
1979	1990
Listed on Stock Exchanges	Establishment of Shakarganj Sugar Research Institute Library
1982	
Crushing Capacity increased to 4,000 TCD	Establishment of Particle Board Plant with the brand name Kane Wood



Our History

1992	2001
Crushing Capacity increased to 12,000 TCD	Start of Shakarganj Social Action Programme
Establishment Sugar Cane Pathology Laboratory	2002
1999	Expansion in Biofuel Production Plant to 80,000 Litres per Day
Establishment of Bio Compost Plant	2003
2001	Amalgamation with Crescent Ujala Limited
Sponsored Jhang Art Gallery	Starting of Mobile and Stationed Free Dispensaries
Establishment of Tissue Culture Laboratory	Expansion in Biofuel Production Plant to 120,000 Litres per Day



Our History

2004	2008
Expansion in Biofuel Production Plant to 160,000 Litres per Day	Effluent Treatment Plant
Establishment of Shakarganj Farms Division	Establishment of Second Molecular Sieve Dehydration Plant with a capacity of 100,000 Litres per Day
Establishment of Shakarganj Foundation Establishment of Shakarganj Dairies	Plantation of Artificial Limbs Programme
2005	2013
Erection of Second Sugar Factory (Bhone) with a crushing capacity of 6,000 TCD	Establishment of Tiger Compost Plant
Erection of First Molecular Sieve Dehydration Plant with a capacity of 100,000 Litres per Day	2016
	Establishment of Joint Venture Food Grade Carbon Dioxide (CO ₂) Plant with a capacity of 50 MT per day



Awards & Accolade



Category of Award & Accolade	Year	Description	Remarks
Asian CSR Award Intel - AIM Award	2009	Asian CSR Awards	Shakarganj became the first Pakistani company to be honored with the Intel - AIM Corporate Responsibility Award at the Asian Forum on Corporate Social Responsibility held in Singapore
Best Corporate Report Awards	2001	Best Presented Annual Report Award	Shakarganj Annual Report was declared one the best in the year by a joint committee of the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants (ICMA).
	2003	Annual Best Corporate Report Award	
	2004	Annual Best Corporate Report Award	
	2005	Annual Best Corporate Report Award	
	2008	Annual Best Corporate Report Award	



Category of Award & Accolade	Year	Description	Remarks
FPCCI Export Trophy Awards	1999	Merit Certificate	This Award is presented by the Federation of Pakistan Chambers of Commerce and Industry to the Company with the highest exports in its category.
	2003	Merit Trophy Award	
	2004	Merit Trophy Award	
	2005	Best Export Performance Award	
	2007	Best Export Performance Award	
	2008	Best Export Performance Award	
	2009	Special Merit Export Award	
	2011	Best Export Performance Award	
	2012	Best Export Performance Award	
	2013	Best Export Performance Award	
2014	Best Export Performance Award		



Category of Award & Accolade	Year	Description	Remarks
Top Company Award - Stock Exchange	1988	Top Company Award	This Award was given by the Stock Exchange as recognition of exceptional performance.
Best Taxpayer - FBR	2005	Best Taxpayer Award	The substantial contribution by Shakarganj to the national exchequer was recognized by the Federal Board of Revenue many times, and Shakarganj was awarded the Federal Board of Revenue Award for being the 'Largest Taxpayer' in its industrial sector.
	2009	Best Taxpayer Award	



Category of Award & Accolade	Year	Description	Remarks
Pakistan Sugar Mills Association (PSMA)	1983 -1984	Chairman (Centre)	Mian Altaf M. Saleem of Shakarganj Limited was remained chairman of Pakistan Sugar Mills Association (PSMA) who plays a pivotal role in promoting the development and attaining efficiency in the best interest of sugar mills and sugar allied industries.
	1986- 1987		
	1992 – 1994		
	1980 - 1982	Chairman (Punjab Zone)	
	1990 - 1992		



Financial Highlights (Seven Years)



		2021	2020	2019	2018	2017	2016	2015
Profitability & Ratios Area:								
Net Sales	(Rs 000)	9,161,763	6,409,384	6,256,738	7,404,243	11,360,157	4,373,219	6,578,986
Cost of Sales	(Rs 000)	9,751,929	7,081,059	6,283,349	7,047,093	10,704,342	4,668,941	6,647,610
Gross Profit / (Loss)	(Rs 000)	(590,166)	(671,675)	(26,611)	357,150	655,815	(295,722)	(68,624)
Operating Profit / (Loss)	(Rs 000)	(954,369)	(293,219)	(448,715)	92,871	324,500	(140,704)	(183,146)
Profit / (Loss) Before Tax	(Rs 000)	(1,072,017)	(1,170,655)	(774,470)	158,161	350,012	(31,663)	(42,652)
Profit / (Loss) After Tax	(Rs 000)	(1,387,910)	(997,583)	(728,411)	(14,008)	210,819	(17,893)	(142,756)
Earnings / (Loss) Before Interest, Taxes, Depreciation & Amortization (EBITDA)	(Rs 000)	(299,031)	(262,493)	172,169	858,121	1,054,322	733,985	829,395
Gross Profit Ratio	(%)	(6.44)	(10.48)	(0.43)	4.82	5.77	(6.76)	(1.04)
Net Profit to Sales	(%)	(15.15)	(15.56)	(11.64)	(0.19)	1.86	(0.41)	(2.17)
EBITDA Margin to Sales (net)	(%)	(0.03)	(0.04)	0.03	0.12	0.09	0.17	0.13
Operating Leverage Ratio	(%)	(0.10)	35.90	14.43	0.89	1.53	0.68	4.19
Return on Capital Employed	(%)	(7.09)	(9.53)	(4.54)	4.08	7.66	(2.60)	(3.52)
Liquidity Ratios Area:								
Current Assets	(Rs 000)	1,177,334	1,246,767	992,065	1,485,414	1,599,932	814,003	2,767,463
Current Liabilities	(Rs 000)	4,831,358	4,556,514	4,170,356	4,052,096	3,962,002	4,567,308	7,972,985
Net Current Assets / (Liabilities)	(Rs 000)	(3,654,024)	(3,309,747)	(3,178,291)	(2,566,682)	(2,362,070)	(3,753,305)	(5,205,522)
Property, Plant and Equipment	(Rs 000)	16,166,485	9,745,632	10,253,780	10,825,661	8,487,270	8,987,560	9,599,483
Total Assets	(Rs 000)	19,135,860	12,724,256	13,467,068	14,307,132	11,270,752	10,839,796	13,328,591
Current Ratio	(Times)	0.24	0.27	0.24	0.37	0.40	0.18	0.35
Quick / Acid Test Ratio	(Times)	0.09	0.12	0.08	0.09	0.10	0.08	0.23
Cash to Current Liabilities	(%)	0.04	0.18	2.01	0.70	0.13	0.41	19.17
Cash Flow from Operations to Sales	(%)	5.13	11.03	17.47	4.07	(10.87)	13.70	20.99



		2021	2020	2019	2018	2017	2016	2015
Activity / Turnover Ratios Area:								
Inventory Turnover Ratio	(Times)	18.02	10.80	7.24	6.21	13.42	7.14	9.05
No. of days in Inventory	(Days)	20.26	33.80	50.38	58.82	27.21	51.09	40.32
Debtor Turnover Ratio	(Times)	64.43	54.16	167.95	71.49	125.62	200.06	189.45
No. of Days in Receivables / Average Collection Period	(Days)	5.66	6.74	2.17	5.11	2.91	1.82	1.93
Total Assets Turnover Ratio	(Times)	0.48	0.50	0.46	0.52	1.01	0.40	0.49
Fixed Assets Turnover Ratio	(Times)	0.57	0.66	0.61	0.68	1.34	0.49	0.69
Investment / Market Ratios Area:								
Earning / (Loss) Per Share	(Rupees)	(11.10)	(7.98)	(5.83)	0.11	1.80	(0.16)	(1.89)
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)	52.50	38.00	34.10	55.00	90.75	26.62	17.71
- Highest during the Year	(Rupees)	60.65	50.00	76.48	90.44	132.25	29.65	20.60
- Lowest during the Year	(Rupees)	29.70	30.17	26.25	54.15	22.50	10.75	12.30
Breakup Value Per Share Including Surplus on Revaluation of Fixed Assets	(Rupees)	89.77	54.87	63.67	69.46	49.09	45.14	64.60
Capital Structure Ratios Area:								
Shareholders' Equity (Without Surplus on revaluation of property, plant and Equipment)	(Rs 000)	(245,421)	770,716	1,601,612	1,857,468	1,416,858	(19,900)	(711,810)
Share Capital	(Rs 000)	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,100,000	695,238
Financial Leverage Ratio	Times	(5.51)	2.44	1.37	1.50	1.55	(80.80)	(5.08)
Weighted Average Cost of Debt	(%)	8.60	11.42	12.39	7.84	7.63	8.10	9.93
Long Term Debt : Equity Ratio	:	(1.70)	0.60	0.24	0.29	0.37	(32.10)	(1.45)
Interest Cover Ratio	(Times)	(2.90)	(2.46)	(1.34)	1.79	3.06	0.83	0.82



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



Financial Highlights

For the year ended 30 September 2021

(Rupees in million)

Description	2021	2020	Favorable / (Unfavorable)	
			Amount	%
Revenue	9,162	6,409	2,752	43
Cost of sales	(9,752)	(7,081)	(2,671)	(38)
Gross loss	(590)	(672)	82	12
Distribution, admin & other expenses	(569)	(425)	(144)	(34)
Other income	205	804	(599)	(75)
Loss from operations	(954)	(293)	(661)	(225)
Finance cost	(275)	(339)	64	19
Share of profit / (loss) from equity accounted investee	157	(539)	696	(129)
Loss before taxation	(1,072)	(1,171)	99	8
Taxation	(316)	173	(489)	(283)
Loss after taxation	(1,388)	(998)	(390)	(39)



Production & Cost

Description	Unit	Actual Sep-21	Revised Budgeted Sep-21	Actual Sep-20
Sugarcane Crushed	MT	1,006,075	1,006,075	884,724
Sugar Recovery	%	9.13	9.13	8.76
Sugar Produced	MT	91,837	91,837	77,560
Molasses Consumed	MT	62,378	59,985	38,530
Biofuel Produced	MT	12,160	11,902	7,853
Yarn Produced	Bags	67,915	82,789	36,930
Converted in 20/1 count	Bags	130,750	159,452	68,398
Cost of Sugarcane	Per 40 kg	251.31	251.31	227.31
Cost of Sugarcane	Per MT	6,283	6,283	5,683



Gross Margin (Products Wise)

Description	Unit	Cost of Sugarcane per kg of Sugar Produced
Crop 2021	Per kg	Rs. 68.81
Crop 2020	Per kg	Rs. 64.87

Rupees

Description	Unit	Net Sale Price	Cost of Production	Contribution Margin
Year ended September 2021				
Sugar	Per MT	63,066	68,949	(5,883)
Biofuel	Per MT	124,164	126,546	(2,382)
Yarn	Per Bag	16,058	16,737	(679)
Year ended September 2020				
Sugar	Per MT	60,293	67,987	(7,694)
Biofuel	Per MT	109,252	119,239	(9,987)
Yarn	Per Bag	13,793	15,077	(1,284)



Contribution Margin (Products Wise)

Description	Unit	Cost of Sugarcane per kg of Sugar Produced
Crop 2021	Per kg	Rs. 68.81
Crop 2020	Per kg	Rs. 64.87

Rupees				
Description	Unit	Net Sale Price	Cost of Production	Contribution Margin
Year ended September 2021				
Sugar	Per MT	63,066	62,290	776
Biofuel	Per MT	124,164	112,074	12,090
Yarn	Per Bag	16,058	15,958	100
Year ended September 2020				
Sugar	Per MT	60,293	59,627	666
Biofuel	Per MT	109,252	95,652	13,600
Yarn	Per Bag	13,793	13,923	(130)

Note: Fixed cost has been eliminated which includes:

Sugar and Biofuel: Salaries and wages 75%, Insurance, Rent and Taxes, R&D, Depreciation.

Textile: Salaries and wages 25% Insurance, Rent and Taxes, Depreciation.



Sales (Quantitative)

Description	Unit	Sep 2021	Sep 2020
Sugar	MT	97,201	80,538
Biofuel	MT	12,392	6,830
Yarn	Bags	58,605	36,231



Segment Results – Sugar and Biofuel and Textile For the year ended 30 September 2021

Rupees in thousand

	Sugar		Biofuel		Textile	
	2021	2020	2021	2020	2021	2020
Revenue						
- External	6,596,388	5,124,097	1,543,292	747,402	968,066	507,803
- Intersegment	1,086,777	775,354	24,396	31,743	-	-
	7,683,165	5,899,451	1,567,688	779,145	968,066	507,803
Segment expenses						
Cost of sales						
- External	8,208,313	6,396,402	530,934	102,337	981,188	540,996
- Intersegment	30,911	49,416	1,067,891	772,542	-	-
	8,239,224	6,445,818	1,598,825	874,879	981,188	540,996
Gross loss	(556,059)	(546,367)	(31,137)	(95,734)	(13,122)	(33,193)
- Distribution cost	(15,061)	(13,445)	(102,165)	(51,890)	(2,223)	(1,341)
- Administrative expenses	(271,884)	(252,573)	(55,564)	(33,566)	(37,550)	(33,212)
	(286,945)	(266,018)	(157,729)	(85,456)	(39,773)	(34,553)
Segment results	(843,004)	(812,385)	(188,866)	(181,190)	(52,895)	(67,746)
Other expenses	(69,561)	(33,973)	(14,193)	(4,487)	-	-
Operating loss	(912,565)	(846,358)	(203,059)	(185,677)	(52,895)	(67,746)
Finance costs	(228,283)	(299,228)	(46,579)	(39,519)	(163)	(52)
Loss before taxation	(1,140,848)	(1,145,586)	(249,638)	(225,196)	(53,058)	(67,798)



Segment Results – Farms, Others and Total

For the year ended 30 September 2021

Rupees in thousand

	Farms		Others		Total	
	2021	2020	2021	2020	2021	2020
Revenue						
- External	54,017	30,082	-	-	9,161,763	6,409,384
- Intersegment	9,107	17,362	-	-	-	
	63,124	47,444	-	-	9,161,763	6,409,384
Segment expenses						
Cost of sales						
- External	31,493	41,323	-	-	9,751,929	7,081,059
- Intersegment	21,479	2,502	-	-	-	
	52,972	43,825	-	-	9,751,929	7,081,059
Gross (loss) / profit	10,152	3,619	-	-	(590,166)	(671,675)
- Distribution cost	-	-	-	-	(119,449)	(66,676)
- Administrative expenses	(912)	(1,008)	-	-	(365,910)	(320,360)
	(912)	(1,008)	-	-	(485,359)	(387,036)
Segment results	9,240	2,611	-	-	(1,075,525)	(1,058,711)
Other operating expenses	-	-	-	-	(83,754)	(38,460)
Other operating Income					204,910	803,952
Operating (loss) / profit	9,240	2,611	-	-	(954,369)	(293,219)
Finance costs	-	-	-	-	(275,025)	(338,799)
Share of income / (loss) from equity accounted investee					157,377	(538,637)
(Loss) / profit before taxation	9,240	2,611	-	-	(1,072,017)	(1,170,655)
Taxation					(315,893)	173,072
Loss for the year					(1,387,910)	(997,583)



Q & A



Thank You