



Shakarganj
Limited



CONDENSED INTERIM REPORT
FOR THE QUARTER AND
NINE MONTHS ENDED
30 JUNE 2023

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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)	Manzoor Hussain
2.	Chief Executive Officer	Muhammad Saifullah
In alphabetic order:		
3.	Executive Director	Ali Altaf Saleem
4.	Non-Executive Director	Bashir Ahmad
5.	Executive Director	Mustapha Altaf Saleem
6.	Non-Executive Director	Sadaqat Hussain
7.	Non-Executive Director (Independent)	Shoaib Ahmad Khan
8.	Non-Executive Director (Independent)	Zahra Ahsan Saleem

Audit Committee

Chairman	Shoaib Ahmad Khan (Independent)
Member	Bashir Ahmad
Member	Sadaqat Hussain
Member	Zahra Ahsan Saleem (Independent)

Human Resource & Remuneration Committee

Chairperson	Zahra Ahsan Saleem (Independent)
Member	Manzoor Hussain
Member	Shoaib Ahmad Khan (Independent)

Chief Financial Officer

Muhammad Asif

Company Secretary

Asif Ali

Management Committees

Executive Committee

Chairman	Muhammad Saifullah
	Ali Altaf Saleem
	Mustapha Altaf Saleem

Business Strategy Committee

Chairman	Muhammad Saifullah
	Ali Altaf Saleem
	Mustapha Altaf Saleem
	Muhammad Asif

System & Technology Committee

Chairman	Mustapha Altaf Saleem
	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.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

Legal Advisor

Saad Rasool Law Associates

Auditors

HLB Ijaz Tabussum & Co.
Chartered Accountants

Bankers

MCB Bank Limited
National Bank of Pakistan
Bank Islami Pakistan Limited

Works

Principal Facility

Management House
Toba Road, Jhang, Pakistan
Tel: (047) 763 1001 - 05
Fax: (047) 763 1011
E-mail: info@shakarganj.pk

Satellite Facility

Management House
63 km, Jhang Sargodha Road
Bhone, Pakistan
Tel: (048) 688 9211 - 13
Fax: (047) 763 1011

Website

www.shakarganj.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 offices 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.

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 are pleased to present the condensed interim financial statements of the Company for the quarter and nine months ended 30 June 2023.

Financial and Operational Performance:

As reported earlier in half yearly review, we achieved the historically high sugar recovery of 10.26 % at Shakarganj during current season with early closure of the crushing campaign on 02 March. This was second shortest crushing season in the history of Shakarganj which lasted for only 88 days as compared to 145 days in the last year. Crushing season was started on 05 December 2022 and was smoothly running till mid-January when suddenly various sugar mills around Jhang started being closed due to no cane and finally the season was closed on 02 March 2023 at Shakarganj. In spite of very challenging situation, your Company managed to crush 1,019,181 MT of sugarcane as compared to 1,347,651 MT of sugarcane in the corresponding period. Season started with highest ever sugarcane notified support price of Rs. 300 per 40 kg in Punjab. This was a big challenge because the sugar price was neither fixed rather adversely controlled by Government by taking various measures. Sugarcane was procured at considerably higher price resulting tough competition among the mills. Our Biofuel business has also contributed positively but due to unexpected short season, our molasses procurement campaign has suffered. Our textile business has suffered due to overall situation in the yarn market as the difficult business environments continued in the textile business, therefore, the plant could not be operated during this period.

In spite of all the challenges during the nine month period under review, the Company earned gross profit of Rs. 110.54 million as compared to gross profit of Rs. 506.78 million during corresponding period last year. Loss from operations was Rs. 81.24 million compared to profit from operations of Rs. 149.55 million during corresponding period last year. Company posted loss before tax of Rs. 202.73 million and after tax loss of Rs. 30.35 million as compared to after tax loss of Rs. 157.84 million in the corresponding period of last year. The Company accounted for its share of profit in equity accounted investment in Shakarganj Food Products Limited amounting to Rs. 148 million as compared to loss of Rs. 42.32 million in the corresponding period.

Business Segments:

Sugar Division:

Sugar Division revenue net of tax for the nine months of Fiscal 2023 was Rs. 7,698 million and inter-segment sale of this division was Rs. 1,391 million as against net sales revenue of Rs. 9,360 million and inter-segment sale of Rs. 1,396 million during corresponding period of last year. The Sugar Division crushed 1,019,181 MT (9MFY22: 1,347,651 MT) of sugarcane to produce 104,540 MT (9MFY22: 126,192 MT) of sugar at an average recovery rate of 10.26 percent (9MFY22: 9.36 percent).

The gross loss margin remained 0.34% during the current period compared to gross profit of 2.32% during the corresponding period of last year. The bottom line resulted in loss before tax of Rs. 257.41 million as compared to profit before tax of Rs. 12.15 million for the corresponding period last year.

Biofuel Division:

Net sales revenue of Biofuel Division during the period amounted to Rs. 1,363 million with inter segment sale of Rs. 32 million as compared to net sales revenue of Rs. 1,955 million with inter segment sale of Rs. 73 million during the corresponding period. There was gross profit for the period of Rs. 190.55 million as compared to gross profit of Rs. 309.02 million in corresponding period last year. The bottom line resulted in profit before tax of Rs. 81.77 million as compared to profit before tax of Rs. 130.90 million for the corresponding period last year. The production of this division was 9.93 million litres (9MFY22: 21.57 million litres).

Textile Division:

During the period under review due to no operations there was no production in Textile Division as the same was case in previous period.

Unconsolidated Financial Position

Balance sheet footing stood at Rs. 19,723.89 million as of 30 June 2023 compared to Rs 18,562.01 million on 30 September 2022. Total shareholders' fund decreased to Rs. 10,475.14 million from Rs. 10,508.40 million as at 30 September 2022. Break-up value per share was Rs. 83.80.

Consolidated Financial Performance

On a consolidated basis, operating profit before finance costs and taxation amounted to Rs. 720.40 million (9MFY22: Rs. 477.37 million). Consolidated profit after tax for the Group for the period was Rs. 104.14 million as compared to loss after tax of Rs. 196.30 million in 9MFY22.

During period under review, profit after tax of Shakarganj Food Products Limited – the subsidiary company, amounted to Rs. 282.50 million (9MFY22: loss after tax Rs. 80.76 million). We are hopeful, with the rise in demands, for further 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. 27,870.35 million, compared to Rs. 27,149.95 million as at 30 September 2022. Total equity increased to Rs. 12,248.04 million from Rs. 12,146.81 million as at 30 September 2022.

Financial Review:

The Company remains committed to its best efforts to achieve better performance and to improve its liquidity scenario. Various steps were taken to overcome the liquidity crunch as details given in Note 1.2 to the condensed interim financial statements attached herewith. All out efforts are being made to improve the production and profitability of the Company through efficiency, effectiveness, and reducing production cost. The management considers that the measures explained 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.

Future Outlook:

Crushing season remained very short and raw material for our biofuel operations was not available at feasible prices whereas future outlook of our distilleries operations is always depending on continuous availability of good quality molasses. Difficult business environments in the textile business due to high cost of raw material, the operations could not be started yet. As mentioned in our last annual report, management is taking steps to overcome the liquidity crunch and we are hopeful that the Company would continue its operations. In spite of all the challenges, we remain committed to navigating through the challenging times.

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

On behalf of Board of Directors

31 July 2023



Muhammad Saifullah
Chief Executive Officer



Ali Altaf Saleem
Director

Unconsolidated Condensed Interim
Financial Statements (Un-audited)
For the nine months period ended 30 June 2023
(Shakarganj Limited)

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2023 (Un-audited)

	Note	30 June 2023 Un-Audited (Rupees in thousand)	30 September 2022 Audited
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
150,000,000 (30 September 2022: 150,000,000) ordinary shares of Rs. 10 each		1,500,000	1,500,000
50,000,000 (30 September 2022: 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			
125,000,000 (30 September 2022: 125,000,000) ordinary shares of Rs. 10 each		1,250,000	1,250,000
Reserves			
Capital Reserves			
Surplus on revaluation of property, plant and equipment - net of deferred income tax		9,824,480	10,256,630
Other capital reserve		1,723,591	1,751,879
		<u>11,548,071</u>	<u>12,008,509</u>
Revenue Reserves			
General reserve		-	516,306
		<u>12,798,071</u>	<u>13,774,815</u>
Accumulated losses		<u>(2,322,934)</u>	<u>(3,266,419)</u>
TOTAL EQUITY		<u>10,475,137</u>	<u>10,508,396</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	3	198,529	-
Employees' retirement benefits		452,650	421,960
Deferred income tax liability		2,789,929	3,052,924
		<u>3,441,108</u>	<u>3,474,884</u>
CURRENT LIABILITIES			
Trade and other payables		4,837,903	3,409,852
Short term borrowings		672,500	935,000
Accrued Mark-up		69,136	52,735
Current portion of non-current liabilities	3	26,471	41,413
Unclaimed dividend		1,916	1,916
Provision for taxation		199,721	137,809
		<u>5,807,647</u>	<u>4,578,725</u>
TOTAL LIABILITIES		<u>9,248,755</u>	<u>8,053,609</u>
CONTINGENCIES AND COMMITMENTS	4		
TOTAL EQUITY AND LIABILITIES		<u>19,723,892</u>	<u>18,562,005</u>

The annexed selected notes from, 1 to 16, form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer

		30 June 2023 Un-Audited (Rupees in thousand)	30 September 2022 Audited
	Note		
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	14,861,625	15,451,699
Biological assets		35,092	30,204
Long Term Investments	6	2,060,833	1,915,737
Long term advances and deposits		36,135	36,135
		<u>16,993,685</u>	<u>17,433,775</u>
CURRENT ASSETS			
Biological assets		214	2,881
Stores, spare parts and loose tools		99,439	52,018
Stock-in-trade	7	2,002,233	295,242
Trade debts		88,803	65,085
Loans and advances		116,899	269,946
Prepayments and other receivables		327,153	322,171
Cash and bank balances		5,218	30,639
		<u>2,639,959</u>	<u>1,037,982</u>
Non-current assets held for sale	8	90,248	90,248
		<u>2,730,207</u>	<u>1,128,230</u>
TOTAL ASSETS		<u><u>19,723,892</u></u>	<u><u>18,562,005</u></u>

The annexed selected notes from, 1 to 16, 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 Nine Months Ended 30 June 2023 (Un-Audited)

		Nine Months Ended		Quarter Ended	
		30 June 2023	30 June 2022	30 June 2023	30 June 2022
	Note	(Rupees in thousand)		(Rupees in thousand)	
Revenue	9	9,063,851	11,391,496	106,361	2,343,752
Cost of sales	9	(8,953,307)	(10,884,717)	(380,195)	(2,175,301)
Gross profit / (loss)		110,544	506,779	(273,834)	168,451
Administrative expenses		(277,199)	(295,308)	(85,545)	(94,184)
Distribution cost		(91,089)	(152,007)	(11,319)	(104,487)
Other expenses		(10,760)	(14,062)	(448)	5,501
Other income		187,267	104,143	114,105	43,463
(Loss) / profit from operations		(81,237)	149,545	(257,041)	18,744
Finance cost		(269,495)	(219,214)	(95,113)	(104,062)
Share of profit / (loss) from equity accounted investee		148,002	(42,318)	(31,997)	(57,818)
Loss before taxation		(202,730)	(111,987)	(384,151)	(143,136)
Taxation		172,377	(45,853)	142,106	24,180
Loss after taxation		(30,353)	(157,840)	(242,045)	(118,956)
Loss per share - Basic and diluted (Rupees)		(0.24)	(1.26)	(1.94)	(0.95)

The annexed selected notes from, 1 to 16, 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 Nine Months Ended 30 June 2023 (Un-Audited)

	Nine Months Ended		Quarter Ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	(Rupees in thousand)			
Loss after taxation	(30,353)	(157,840)	(242,045)	(118,956)
Other comprehensive loss				
Items that will not be reclassified to profit or loss in subsequent periods:				
Deficit arising on remeasurement of investments at fair value through other comprehensive income	(2,906)	(2,599)	(1,216)	(145)
Share of other comprehensive income of equity accounted investee	-	(2,400)	-	-
Items that may be reclassified to profit or loss in subsequent periods	-	-	-	-
Other comprehensive loss for the period	(2,906)	(4,999)	(1,216)	(145)
Total comprehensive loss for the period	(33,259)	(162,839)	(243,261)	(119,101)

The annexed selected notes from, 1 to 16, 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 Nine Months Period Ended 30 June 2023 (Un-Audited)

Rupees in thousand

	RESERVES									ACCUMULATED LOSS	TOTAL EQUITY	
	SHARE CAPITAL	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	Sub total			
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	-	-	-	-	-	(457,636)	(457,636)	-	-	(457,636)	457,636	-
Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment						(104,101)	(104,101)			(104,101)	104,101	-
Incremental depreciation of property, plant and equipment of equity accounted investee - net of deferred income tax	-	-	(16,841)	-	-	-	(16,841)	-	-	(16,841)	16,841	-
Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment of equity accounted investee - net of deferred income tax			(4,775)				(4,775)			(4,775)	4,775	
Loss for the period	-	-	-	-	-	-	-	-	-	-	(157,840)	(157,840)
Other comprehensive loss for the period	-	-	-	(2,599)	-	-	(2,599)	-	-	(2,599)	(2,400)	(4,999)
Total comprehensive loss for the period	-	-	-	(2,599)	-	-	(2,599)	-	-	(2,599)	(160,240)	(162,839)
Balance as at 30 June 2022 - (Un-audited)	1,250,000	1,056,373	427,194	(13,620)	155,930	10,904,598	12,530,475	516,306	516,306	13,046,781	(3,238,706)	11,058,075
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	(149,532)	(149,532)	-	-	(149,532)	149,532	-
Adjustment of deferred income tax liability due to re-assessment at year end	-	-	-	-	-	(486,373)	(486,373)	-	-	(486,373)	-	(486,373)
Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment	-	-	-	-	-	(12,063)	(12,063)	-	-	(12,063)	12,063	-
Incremental depreciation of property, plant and equipment of equity accounted investee - net of deferred income tax	-	-	(5,452)	-	-	-	(5,452)	-	-	(5,452)	5,452	-
Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment of equity accounted investee - net of deferred income tax			(3,028)				(3,028)			(3,028)	3,028	-
Early settlement of convertible loan of equity accounted investee											(11,632)	(11,632)
Loss for the period	-	-	-	-	-	-	-	-	-	-	(67,462)	(67,462)
Other comprehensive income / (loss) for the period	-	-	133,697	785	-	-	134,482	-	-	134,482	(118,694)	15,788
Total comprehensive income / (loss) for the period	-	-	133,697	785	-	-	134,482	-	-	134,482	(186,156)	(51,674)
Balance as at 30 September 2022 - (Audited)	1,250,000	1,056,373	552,411	(12,835)	155,930	10,256,630	12,008,509	516,306	516,306	12,524,815	(3,266,419)	10,508,396
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	(432,150)	(432,150)	-	-	(432,150)	432,150	-
Transfer of general reserves to accumulated losses	-	-	-	-	-	-	-	(516,306)	(516,306)	(516,306)	516,306	-
Incremental depreciation of property, plant and equipment of equity accounted investee - net of deferred income tax	-	-	(25,381)	-	-	-	(25,381)	-	-	(25,381)	25,381	-
Loss for the period	-	-	-	-	-	-	-	-	-	-	(30,353)	(30,353)
Other comprehensive loss for the period	-	-	-	(2,906)	-	-	(2,906)	-	-	(2,906)	-	(2,906)
Total comprehensive loss for the period	-	-	-	(2,906)	-	-	(2,906)	-	-	(2,906)	(30,353)	(33,259)
Balance as at 30 June 2023 - (Un-audited)	1,250,000	1,056,373	527,030	(15,741)	155,930	9,824,480	11,548,071	-	-	11,548,071	(2,322,934)	10,475,137

The annexed selected notes from, 1 to 16, 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 Nine Months Ended 30 June 2023 (Un-Audited)

	Note	30 June 2023 Rupees in thousand	30 June 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	10	304,129	472,288
Finance cost paid		(123,273)	(114,052)
Income tax paid		(28,706)	(60,041)
Net cash generated from / (used in) operating activities		152,150	298,195
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(103,792)	(66,843)
Proceeds from sale of non-current assets held for sale		-	17,942
Proceeds from sale of property, plant and equipment		5,134	174,599
Net cash (used in) / generated from investing activities		(98,658)	125,698
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		(262,500)	-
Repayment of long term financing		(41,413)	(310,362)
Long terms loan required		225,000	-
Dividend paid		-	(28)
Net cash used in financing activities		(78,913)	(310,390)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(25,421)	113,503
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD		30,639	1,905
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD		5,218	115,408

The annexed selected notes from, 1 to 16, 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 Nine Months Ended 30 June 2023 (Un-Audited)

1. The Company and its Operations

- 1.1. Shakarganj Limited (the Company) is a public limited company incorporated on 20th 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 incurred loss after taxation of Rs. 30.35 million and its accumulated losses are of Rs. 2,322.93 million as at 30 June 2023. The current liabilities of the Company exceeded its current assets by Rs. 3,077.44 million. Moreover, the Company has some overdue statutory obligations. Furthermore Textile segment of the Company remained closed during the whole period. Certain shareholders of the Company have applied to Sindh High Court, Karachi and Lahore High Court, Lahore and obtained stay on 29 November 2021 and 25 February 2022 respectively from the respective courts regarding the disposal of certain agricultural land of the Company. 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 unconsolidated condensed interim financial statements have been prepared on going concern basis due to following reasons:

- The Company had planned and was in initial stage of deliberation with various parties to dispose of the Bhone Unit of the Company which include Sugar and Biofuel divisions. The process had been stopped due to orders from Lahore High Court due to the reason mentioned in para above. As per the management the whole Bhone Unit having book value of Rs. 7.786 billion is expected to be disposed-off.
- The Company is in negotiation with its banks to avail further long term financing and short term borrowings so that it can enhance its capital expenditure for new plant and machinery and for improving working capital lines to avail better quality raw material in time.
- 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 is expected to reduce by 9% and will increase the recovery ratio.
- The Company remains committed to its best efforts to improve liquidity position. The financial projections of the Company show improvements in cash generation and profits.

The management and the Board 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 2022. 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 2022.

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 applied in the audited annual financial statements of the Company for the year ended 30 September 2022.

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 2022.

2.3. Seasonality of operations

The Company is, inter alia, 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

	30 June 2023 Un-Audited (Rupees in thousand)	30 September 2022 Audited
Opening balance	41,413	410,105
Add:		
Obtained during the period / year	225,000	-
Amortized during the period / year	-	6,833
	225,000	6,833
Less: Repaid during the period / year	41,413	375,525
	225,000	41,413
Less: Current portion shown under current liabilities	(26,471)	(41,413)
	198,529	-

4. Contingencies and Commitments

4.1. Contingencies

There is no material change in the status of contingencies as set out in note 11(a) to the financial statements of the Company for the year ended 30 September 2022.

4.2. Commitments

There is no commitment as at 30 June 2023 (30 September 2022: Nil).

5. Property, Plant and Equipment

	Note	30 June 2023 Un-Audited (Rupees in thousand)	30 September 2022 Audited
Operating fixed assets	5.1	14,467,656	15,085,370
Capital work-in-progress	5.2	393,969	366,329
		14,861,625	15,451,699

		30 June 2023 Un-Audited (Rupees in thousand)	30 September 2022 Audited
	Note		
5.1 Operating fixed assets			
Opening book value		15,085,370	16,036,918
Add: Cost of addition during the period / year	5.1.1	76,151	7,279
Add: Transfer from non-current assets held for sale		-	95,725
		15,161,521	16,139,922
Less: Book value of deletion during the period / year	5.1.2	909	50,183
		15,160,613	16,089,739
Less: Depreciation charged during the period / year		692,957	1,004,369
Closing book value		14,467,656	15,085,370
5.1.1 Cost of additions during the period / year			
Building		-	3,982
Plant and machinery		69,305	1,700
Tools and equipment		27	251
Water electric and weighbridge equipment		860	-
Vehicles		5,800	-
Office equipment		-	50
Furniture and fixture		159	1,296
		76,151	7,279
5.1.2 Book value of deletions during the period / year			
Freehold land		-	17,900
Building		-	21,439
Plant and machinery		-	7,637
Tools and equipment		-	153
Water electric and weighbridge equipment		-	782
Furniture and fixture		38	817
Office equipment		-	78
Vehicles		870	1,360
Laboratory equipment		-	3
Library Books		1	-
Arm & Ammunition		-	14
		909	50,183
5.2 Capital work-in-progress			
Civil works		6,201	5,497
Plant and machinery		283,872	223,072
		290,073	228,569
Advances against capital work in progress		140,834	174,698
Less: Provision against doubtful advances		(36,938)	(36,938)
		103,896	137,760
		393,969	366,329

	Note	30 June 2023 Un-Audited (Rupees in thousand)	30 September 2022 Audited
6 Long Term Investment			
Investment in equity accounted investee	6.1.1	2,056,962	1,908,960
Investment at fair value through other comprehensive income		3,871	6,777
		<u>2,060,833</u>	<u>1,915,737</u>
6.1 Investment in equity accounted investee			
Shakarganj Food Products Limited - Unquoted			
87 785 643 (30 September 2022: 87 785 643) fully paid ordinary shares of Rs. 10 each.			
Equity held: 52.39% (30 Sep 2022: 52.39%)			
6.1.1 Movement during the period / year			
Cost		590,784	590,784
Share of post acquisition reserves:			
Opening balance		1,318,176	1,136,689
Share of profit after taxation for the period / year		148,002	64,196
Share of other comprehensive income for the period / year		-	128,923
Share of equity / musharakah financing for the period / year		-	(11,632)
		<u>1,466,178</u>	<u>1,318,176</u>
Closing balance		<u>2,056,962</u>	<u>1,908,960</u>
		30 June 2023 Un-Audited (Rupees in thousand)	30 September 2022 Audited
7. Stock-in-Trade			
Raw materials		1,165,745	5,629
Work-in-process		12,862	11,399
Finished goods		823,626	278,214
		<u>2,002,233</u>	<u>295,242</u>
		30 June 2023 Un-Audited (Rupees in thousand)	30 September 2022 Audited

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:

Property, plant and equipment	<u>90,248</u>	<u>90,248</u>
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Specific items of freehold land, plant and machinery of Sugar segment of the Company were presented as held for sale following the approval of Board of Directors (BOD) of the Company in the meeting held on 04 January 2021. Significant portion of these assets has been disposed, while an item of plant and machinery has been transferred back to property, plant and equipment as decided by the

BOD of the Company in their meeting held on 28 July 2022, because the specific item of plant and machinery can be used by the Company in its operations by overhauling / updation. However for the remaining item of non-current assets held for sale of Rs. 90,248 million, the management is hopeful of completing the sale transaction during the next financial year.

8.1. Reconciliation of Non-Currents Assets Held For Sale

	Note	30 June 2023 Un-Audited (Rupees in thousand)	30 September 2022 Audited
Opening book value		90,248	335,180
Book value of assets transferred to property, plant and equipment	5.1	-	(95,725)
Book value of assets disposed of during the period		-	(149,207)
		<u>90,248</u>	<u>90,248</u>

9 Segment Information

Rupees in thousand
(Un-audited)

Sugar		Biofuel		Textile		Farms		Elimination of Inter-segment transactions		Total	
30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022

9.1 Revenue

External	7,698,368	9,359,567	1,363,448	1,955,132	-	34,242	2,035	42,555	-	-	9,063,851	11,391,496
Intersegment	1,390,712	1,395,952	31,793	73,076	-	-	1,509	8,010	(1,424,013)	(1,477,038)	-	-
	9,089,080	10,755,519	1,395,241	2,028,208	-	34,242	3,544	50,565	(1,424,013)	(1,477,038)	9,063,851	11,391,496
Cost of sales	(9,119,996)	(10,505,644)	(1,204,692)	(1,719,192)	(49,069)	(81,474)	(3,564)	(55,445)	1,424,013	1,477,038	(8,953,307)	(10,884,717)
Gross profit / (loss)	(30,916)	249,875	190,549	309,016	(49,069)	(47,232)	(20)	(4,880)	-	-	110,544	506,779
Administrative expenses	(212,383)	(222,729)	(32,602)	(42,001)	(32,174)	(29,987)	(40)	(591)	-	-	(277,199)	(295,308)
Distribution cost	(14,108)	(14,999)	(76,181)	(136,118)	(800)	(890)	-	-	-	-	(91,089)	(152,007)
	(226,491)	(237,728)	(108,783)	(178,119)	(32,974)	(30,877)	(40)	(591)	-	-	(368,288)	(447,315)
(Loss) / profit before taxation and unallocated income and expenses	(257,407)	12,147	81,766	130,897	(82,043)	(78,109)	(60)	(5,471)	-	-	(257,744)	59,464

Unallocated income and expenses:

Other expenses											(10,760)	(14,062)
Finance cost											(269,495)	(219,214)
Other income											187,267	104,143
Share of profit / (loss) from equity accounted investee											148,002	(42,318)
Taxation											172,377	(45,853)
Loss after taxation											(30,353)	(157,840)

9.2 Reconciliation of reportable segment assets and liabilities:

Rupees in thousand

Sugar		Biofuel		Textile		Farms		Total	
(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
30 June 2023	30 September 2022	30 June 2023	30 September 2022	30 June 2023	30 September 2022	30 June 2023	30 September 2022	30 June 2023	30 September 2022

Total assets for reportable segments	9,560,662	9,795,069	6,241,040	5,130,872	556,339	590,394	652,720	649,536	17,010,761	16,165,871
Unallocated assets									2,713,131	2,396,134
Total assets as per unconsolidated condensed interim statement of financial position									19,723,892	18,562,005
Total liabilities for reportable segments	6,166,775	5,012,760	1,982,130	1,481,308	135,564	211,319	13,306	20,430	8,297,776	6,725,817
Unallocated liabilities									950,979	1,327,792
Total liabilities as per unconsolidated condensed interim statement of financial position									9,248,755	8,053,609

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		Total	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Europe	-	-	1,012,882	1,675,606	-	-	-	-	1,012,882	1,675,606
Asia	475,886	-	147,371	-	-	-	-	-	623,257	-
Africa	-	-	-	-	-	-	-	-	-	-
Pakistan	7,222,482	9,359,567	203,195	279,526	-	34,242	2,035	42,555	7,427,712	9,715,890
	<u>7,698,368</u>	<u>9,359,567</u>	<u>1,363,448</u>	<u>1,955,132</u>	<u>-</u>	<u>34,242</u>	<u>2,035</u>	<u>42,555</u>	<u>9,063,851</u>	<u>11,391,496</u>

9.4 The Company's revenue from external customers in respect of products is detailed below:

Sugar	7,578,284	8,560,964	-	-	-	-	-	-	7,578,284	8,560,964
By-products	120,084	798,603	-	5,838	-	-	-	-	120,084	804,441
Biofuel	-	-	1,363,448	1,949,294	-	-	-	-	1,363,448	1,949,294
Yarn and polyester	-	-	-	-	-	34,000	-	-	-	34,000
Farm	-	-	-	-	-	-	2,035	42,555	2,035	42,555
Waste	-	-	-	-	-	242	-	-	-	242
	<u>7,698,368</u>	<u>9,359,567</u>	<u>1,363,448</u>	<u>1,955,132</u>	<u>-</u>	<u>34,242</u>	<u>2,035</u>	<u>42,555</u>	<u>9,063,851</u>	<u>11,391,496</u>

	Note	30 June 2023 (Rupees in thousand)	30 June 2022 (Rupees in thousand)
10. Cash Generated from / (used in) Operations			
Loss before taxation		(202,730)	(111,987)
Adjustments for non-cash charges and other items:			
Depreciation		692,957	744,225
Gain on sale of non-current assets held for sale		-	(25,392)
Gain on sale of property, plant and equipment		(4,225)	(10)
Fair value adjustment of agricultural assets		(3,489)	11,559
Share of loss / (profit) from equity accounted investee		(148,002)	42,318
Unrealized loss on agriculture income		401	118
Amortization of deferred grant		-	(6,124)
Provision for employees retirement benefits		30,690	41,611
Finance cost		269,495	219,214
Working capital changes	10.1	(330,968)	(443,244)
		<u>304,129</u>	<u>472,288</u>
10.1 Working capital changes			
(Increase) / decrease in current assets:			
Stores, spare parts and loose tools		(47,421)	(22,692)
Stock-in-trade		(1,706,991)	(585,481)
Trade debts		(23,718)	(64,910)
Loans and advances		153,047	(145,837)
Prepayments and other receivables		(4,982)	30,742
Biological assets - net		867	2,818
		(1,629,198)	(785,360)
Increase in trade and other payables		1,298,230	342,116
		<u>(330,968)</u>	<u>(443,244)</u>

11. Transactions with Related Parties

Detail of transactions and balances with related parties is as follows:

	Nine Months Ended		Quarter ended	
	30 June 2023	30 June 2022 (Rupees in thousand)	30 June 2023	30 June 2022
i) Transactions				
Subsidiary company				
Sale of goods	56,926	63,270	8,375	28,484
Common expenses shared	1,744	1,660	419	553
Associated companies				
Purchase of goods	20	542,840	20	28,843
Common expenses shared	3,689	10,731	1,005	7,200
Insurance expenses	3,714	4,952	681	1,814
Sale of goods and rendering of services	2,097	605,268	571	71,467
Finance cost	56,976	33,684	22,715	12,951
Other related parties				
Company's contribution to Employees' Provident Fund Trust	8,994	8,583	2,867	1,383
Mark-up expense	56,975	33,684	22,714	12,951
Service charges accrued	-	5,046	-	1,682
Remuneration and meeting fee paid to Chief Executive Officer, directors and executives	115,644	129,477	36,768	44,675
Other transactions with Pension Fund and Gratuity				
- Funds received	277,753	-	-	-
- Mark-up expense	40,855	-	16,072	-
ii) Period end balances				
Subsidiary company				
Trade debts			48,249	25,903
Trade and other payables			11,270	9,630
Associated companies				
Trade and other payables			860	12,225
Cash and bank balances			80	10,958
Short term borrowings			200,000	425,000
Long term borrowings			225,000	-
Accrued mark-up			26,069	4,676
Other related parties				
Trade and other payables			501,185	393,911
Other receivables			24,753	16,811

	30 June 2023 Un-Audited (Rupees in thousand)	30 September 2022 Audited
12. Disclosures by Company Listed on Islamic Index		
Description		
Shariah compliant bank deposits and bank balances		
Bank balances	117	13,330
Loans / advances obtained as per Islamic mode		
Contract liabilities	333,469	361,048
Short term borrowings	200,000	425,000
Long term borrowings	225,000	-

	30 June 2023 Un-audited (Rupees in thousand)	30 June 2022
Revenue earned from shariah compliant business	9,063,851	11,391,496
Unrealized loss on remeasurement of investments at FVTOCI	(2,906)	(2,599)
Exchange gain	18,306	41,939
Mark-up paid on Islamic mode of financing	56,975	33,684
Profit earned or interest paid on any conventional loan / advance		
Mark-up on long term financing	1,563	25,994
Mark-up on short term borrowings	78,376	55,124
Profit earned on deposit with banks	61	216

Relationship with shariah compliant banks

Name	Relationship
Askari Bank Limited	Bank balances
BankIslami Pakistan Limited	Bank balances and short term borrowings and long 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 and no gain or dividend earned on shariah compliant investments.

13. Recognized Fair Value Measurements - Financial Instruments

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 the following table:

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

Financial assets - recurring fair value measurement

At 30 June 2023 - (Un-audited)

At fair value through other comprehensive income	3,871	-	-	3,871
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At 30 September 2022 - Audited

At fair value through other comprehensive income	6,777	-	-	6,777
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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 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 31 July 2023 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 nine months period ended 30 June 2023
(Shakarganj Limited and Its Subsidiary Company)

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2023 (Un-audited)

	Note	30 June 2023 Un-Audited (Rupees in thousand)	30 September 2022 Audited
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
150,000,000 (30 September 2022: 150,000,000)			
ordinary shares of Rs. 10 each		1,500,000	1,500,000
50,000,000 (30 September 2022: 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			
125,000,000 (30 September 2022: 125,000,000)			
ordinary shares of Rs. 10 each		1,250,000	1,250,000
Reserves			
Capital Reserves			
Surplus on revaluation of property, plant and equipment - net of deferred income tax		10,392,050	10,849,580
Other capital reserve		1,238,003	1,240,909
		<u>11,630,053</u>	<u>12,090,489</u>
Revenue Reserves			
General reserves		-	516,306
		<u>12,880,053</u>	<u>12,606,795</u>
Accumulated losses		(2,436,537)	(3,380,018)
Equity attributable to equity holders of the Holding Company		<u>10,443,516</u>	<u>10,476,777</u>
Non-controlling interest		1,804,526	1,670,029
TOTAL EQUITY		<u>12,248,042</u>	<u>12,146,806</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	3	743,054	457,896
Lease liabilities		211,195	328,007
Deferred liabilities		880,295	833,210
Deferred income tax liability		2,618,972	2,840,932
		<u>4,453,516</u>	<u>4,460,045</u>
CURRENT LIABILITIES			
Trade and other payables		9,488,249	8,391,203
Short term borrowings		1,044,200	1,384,899
Accrued Mark-up		147,142	128,048
Current portion of non-current liabilities		287,563	499,224
Unclaimed dividend		1,916	1,916
Provision for taxation		199,721	137,809
		<u>11,168,791</u>	<u>10,543,099</u>
TOTAL LIABILITIES		<u>15,622,307</u>	<u>15,003,144</u>
CONTINGENCIES AND COMMITMENTS	4		
TOTAL EQUITY AND LIABILITIES		<u>27,870,349</u>	<u>27,149,950</u>

The annexed selected notes from, 1 to 12, form an integral part of these consolidated condensed interim financial statements.


Chief Executive Officer

		30 June 2023 Un-Audited (Rupees in thousand)	30 September 2022 Audited
ASSETS	Note		
NON-CURRENT ASSETS			
Property, plant and equipment	5	20,688,818	21,455,737
Right-of-use assets		742,706	1,292,499
Intangible assets		1,432	2,291
Biological assets		35,092	30,204
Investments		3,871	6,777
Long term loans and advances		15,979	14,231
Long term deposits		118,976	122,282
		21,606,874	22,924,021
CURRENT ASSETS			
Biological assets		214	2,881
Stores, spare parts and loose tools		336,009	271,805
Stock-in-trade	6	2,674,343	1,323,446
Trade debts		143,653	196,935
Loans and advances		192,998	309,452
Prepayments and other receivables		1,793,627	1,329,363
Short term investment		-	55,000
Advance income tax		550,389	456,872
Cash and bank balances		45,010	77,600
		5,736,243	4,023,354
Non-current assets held for sale		527,232	202,575
		6,263,475	4,225,929
TOTAL ASSETS		27,870,349	27,149,950

The annexed selected notes from, 1 to 12, form an integral part of these consolidated condensed interim financial statements.



Director



Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

For the Nine Months Ended 30 June 2023 (Un-Audited)

		Nine Months Ended		Quarter ended	
		30 June 2023	30 June 2022	30 June 2023	30 June 2022
	Note	(Rupees in thousand)		(Rupees in thousand)	
Revenue	7	21,178,903	24,733,647	3,162,428	7,144,884
Cost of sales	7	(19,073,849)	(22,400,040)	(3,089,828)	(6,371,124)
Gross profit		2,105,054	2,333,607	72,600	773,760
Administrative expenses		(388,624)	(413,239)	(123,606)	(133,030)
Distribution cost		(1,230,459)	(1,541,136)	(319,371)	(594,131)
Other expenses		(79,871)	(41,731)	(30,072)	(9,741)
Other income		314,298	139,873	190,561	54,128
Profit / (loss) from operations		720,398	477,374	(209,888)	90,986
Finance cost		(567,194)	(486,522)	(196,792)	(205,710)
Profit / (loss) before taxation		153,204	(9,148)	(406,680)	(114,724)
Taxation		(49,062)	(187,148)	136,017	(61,140)
Profit / (loss) after taxation		104,142	(196,296)	(270,663)	(175,864)
Share of profit / (loss) attributable to:					
Equity holders of holding company		(30,355)	(157,840)	(241,584)	(123,322)
Non-controlling interest		134,497	(38,456)	(29,079)	(52,542)
		104,142	(196,296)	(270,663)	(175,864)
Loss per share - Basic and diluted (Rupees)		(0.24)	(1.26)	(1.93)	(0.99)

The annexed selected notes from, 1 to 12, form an integral part of these consolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the Nine Months Ended 30 June 2023 (Un-Audited)

	Nine Months ended		Quarter ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	(Rupees in thousand)			
PROFIT / (LOSS) AFTER TAXATION	104,142	(196,296)	(270,663)	(175,864)
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	(2,906)	(2,599)	(1,216)	(145)
Share of other comprehensive loss	-	(4,581)	-	-
Items that may be reclassified to profit or loss in subsequent periods	-	-	-	-
Other comprehensive loss for the period	(2,906)	(7,180)	(1,216)	(145)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	101,236	(203,476)	(271,879)	(176,009)
SHARE OF TOTAL COMPREHENSIVE PROFIT / (LOSS) ATTRIBUTABLE TO:				
EQUITY HOLDERS OF HOLDING COMPANY	(33,261)	(162,839)	(242,800)	(123,467)
NON CONTROLLING INTEREST	134,497	(40,637)	(29,079)	(52,542)
	101,236	(203,476)	(271,879)	(176,009)

The annexed selected notes from, 1 to 12, form an integral part of these consolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the Nine Months Ended 30 June 2023 (Un-Audited)

Rupees in thousand

	RESERVES										ACCUMULATED LOSS	SHAREHOLDERS' EQUITY	NON-CONTROLLING INTEREST	TOTAL EQUITY
	SHARE CAPITAL	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	Sub total					
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	-	-	-	-	(474,513)	-	(474,513)	-	-	(474,513)	474,513	-	-	-
Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment - net of deferred income tax	-	-	-	-	(108,875)	-	(108,875)	-	-	(108,875)	108,875	-	-	-
Loss for the period	-	-	-	-	-	-	-	-	-	-	(157,840)	(157,840)	(38,456)	(196,296)
Other comprehensive loss for the period	-	-	(2,599)	-	-	-	(2,599)	-	-	(2,599)	(2,400)	(4,999)	(2,181)	(7,180)
Total comprehensive income / (loss) for the period	-	-	(2,599)	-	-	-	(2,599)	-	-	(2,599)	(160,240)	(162,839)	(40,637)	(203,476)
Balance as at 30 June 2022	1,250,000	1,056,373	(13,620)	155,930	11,372,296	72,523	12,643,502	516,306	516,306	13,159,808	(3,396,779)	11,013,029	1,464,465	12,477,494
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	(154,948)	-	(154,948)	-	-	(154,948)	154,948	-	-	-
Adjustment of deferred income tax liability due to re-assessment at year end	-	-	-	-	(486,373)	-	(486,373)	-	-	(486,373)	-	(486,373)	-	(486,373)
Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment - net of deferred income tax	-	-	-	-	(15,092)	-	(15,092)	-	-	(15,092)	15,092	-	-	-
Conversion of partial musharakah facility in to short term borrowing	-	-	-	-	-	(31,082)	(31,082)	-	-	(31,082)	19,449	(11,633)	(10,572)	(22,205)
(Loss) / profit for the period	-	-	-	-	-	-	-	-	-	-	(54,033)	(54,033)	96,794	42,761
Other comprehensive income / (loss) for the period	-	-	785	-	133,697	-	134,482	-	-	134,482	(118,695)	15,787	119,342	135,129
Total comprehensive income / (loss) for the period	-	-	785	-	133,697	-	134,482	-	-	134,482	(172,728)	(38,246)	216,136	177,890
Balance as at 30 September 2022	1,250,000	1,056,373	(12,835)	155,930	10,849,580	41,441	12,090,489	516,306	516,306	12,606,795	(3,380,018)	10,476,777	1,670,029	12,146,806
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	(457,530)	-	(457,530)	-	-	(457,530)	457,530	-	-	-
Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment - net of deferred income tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of general reserves to accumulated losses	-	-	-	-	-	-	-	(516,306)	(516,306)	(516,306)	516,306	-	-	-
(Loss) / profit for the period	-	-	-	-	-	-	-	-	-	-	(30,355)	(30,355)	134,497	104,142
Other comprehensive loss for the period	-	-	(2,906)	-	-	-	(2,906)	-	-	(2,906)	-	(2,906)	-	(2,906)
Total comprehensive income / (loss) for the period	-	-	(2,906)	-	-	-	(2,906)	-	-	(2,906)	(30,355)	(33,261)	134,497	101,236
Balance as at 30 June 2023	1,250,000	1,056,373	(15,741)	155,930	10,392,050	41,441	11,630,053	-	-	11,630,053	(2,436,537)	10,443,516	1,804,526	12,248,042

The annexed selected notes from, 1 to 12, 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 Nine Months Ended 30 June 2023 (Un-Audited)

	Note	30 June 2023 (Rupees in thousand)	30 June 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	8	953,967	941,772
Finance cost paid		(404,149)	(337,668)
Net decrease / (increase) in long term loans and advances		(1,748)	857
Net decrease in long term security deposits		3,306	2,427
Employees' benefits paid		(37,974)	(12,102)
Income tax paid		(302,627)	(287,363)
Net cash generated from operating activities		210,775	307,923
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(113,581)	(112,814)
Proceeds from disposal of property, plant and equipment		49,026	156,085
Proceeds from sale of non-current assets held for sale		172,733	174,599
Proceeds from sale of short term investment		55,000	-
Net cash generated from investing activities		163,178	217,870
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		(340,699)	(12,494)
Repayment of long term financing		(120,164)	(437,862)
Proceeds from long term financing		225,000	-
Lease liabilities - net		(170,680)	(138,259)
Dividend paid		-	(28)
Net cash used in financing activities		(406,543)	(588,643)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(32,590)	(62,850)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD		77,600	284,226
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD		45,010	221,376

The annexed selected notes from, 1 to 12, form an integral part of these consolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the Nine Months Ended 30 June 2023 (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 (the Holding company 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 incurred loss after taxation of Rs. 30.35 million and its accumulated losses are of Rs. 2,322.93 million as at 30 June 2023. The current liabilities of the Holding Company exceeded its current assets by Rs. 3,077.44 million. Moreover, the Holding Company has some overdue statutory obligations. Furthermore Textile segment of the Holding Company remained closed during the whole period. Certain shareholders of the Holding Company have applied to Sindh High Court, Karachi and Lahore High Court, Lahore and obtained stay on 29 November 2021 and 25 February 2022 respectively from the respective courts regarding the disposal of certain agricultural land of the Holding Company. 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 unconsolidated condensed interim financial statements have been prepared on going concern basis due to following reasons:

- The Holding Company had planned and was in initial stage of deliberation with various parties to dispose of the Bhone Unit of the Holding Company which include Sugar and Biofuel divisions. The process had been stopped due to orders from Lahore High Court due to the reason mentioned in para above. As per the management the whole Bhone Unit having book value of Rs. 7.786 billion is expected to be disposed-off.
- The Holding Company is in negotiation with its banks to avail further long term financing and short term borrowings so that it can enhance its capital expenditure for new plant and machinery and for improving working capital lines to avail better quality raw material in time.
- 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 is expected to reduce by 9% and will increase the recovery ratio.
- The Holding Company remains committed to its best efforts to improve liquidity position. The financial projections of the Company show improvements in cash generation and profits.

The management and the Board 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, 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.

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 30 June 2023 (30 September 2022: 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 Group for the year ended 30 September 2022. These consolidated 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 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 2022.

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 Group for the year ended 30 September 2022.

The Group's financial risk management objectives and policies are consistent with those disclosed in the preceding annual audited financial statements of the Group for the year ended 30 September 2022.

2.3. Seasonality of operations

The Holding 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 in first half of the Holding Company's financial year thus increasing volume of inventories at the end of the first half.

3. Long Term Financing

	30 June 2023 Un-Audited (Rupees in thousand)	30 September 2022 Audited
Opening balance	669,309	1,276,702
Add:		
Unwinding of discount / Fair value adjustment	14,130	35,929
Obtained during the period / year	225,000	-
Less:		
Conversion to running musharakah / short term borrowings	-	(97,797)
Repaid during the period / year	(120,164)	(545,525)
	788,275	669,309
Less: Current portion shown under current liabilities	(45,221)	(211,413)
	743,054	457,896

4. Contingencies and Commitments

4.1. Contingencies

There is no material change in the status of contingencies as set out in note 13 (a) to the consolidated financial statements of the Company for the year ended 30 September 2022.

4.2. Commitments

- i). Contracts for capital expenditure of Group are Nil as at 30 June 2023 (30 September 2022: Nil).
- ii). Ijarah (operating lease) commitments are of Rs. 11,501 million as at 30 June 2023 (30 September 2022: Rs. 15,862 million).

5. Property, Plant and Equipment

	Note	30 June 2023 Un-Audited (Rupees in thousand)	30 September 2022 Audited
Operating fixed assets	5.1	20,294,849	21,074,204
Capital work-in-progress		393,969	381,533
		20,688,818	21,455,737

		30 June 2023 Un-Audited (Rupees in thousand)	30 September 2022 Audited
	Note		
5.1 Operating fixed assets			
Opening book value		21,074,204	22,239,821
Add: Cost of addition during the period / year	5.1.1	101,145	46,692
Revaluation surplus		-	290,744
Transferred from non-current assets held for sale		-	95,725
Reclassification adjustment		511,596	-
		21,686,945	22,672,982
Less: Book value of deletion during the period / year		34,212	166,666
Less: Transferred to non-current assets held for sale		436,984	112,327
		471,196	278,993
		21,215,749	22,393,989
Less: Depreciation charged during the period / year		920,900	1,319,785
Closing book value		20,294,849	21,074,204
5.1.1 Cost of additions during the period / year			
Building		1,697	3,982
Plant and machinery		87,085	32,001
Tools and equipment		27	251
Water, electric and weighbridge equipment		373	24
Electric installations		860	-
Office equipment		881	2,793
Furniture and fixture		282	3,320
Vehicle		9,940	4,321
		101,145	46,692
		30 June 2023 Un-Audited (Rupees in thousand)	30 September 2022 Audited
6. Stock-in-Trade			
Raw materials		1,483,158	363,028
Packing material		285,768	409,041
Work-in-process		24,862	11,399
Finished goods		880,555	539,978
		2,674,343	1,323,446

7. SEGMENT INFORMATION

7.1

Rupees in thousand (Un-audited)																
Sugar		Biofuel		Textile		Farms		Dairy		Juice		Elimination of Inter-segment transactions		Total		
30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	
Revenue																
External	7,641,442	9,296,297	1,363,448	1,955,132	-	34,242	2,035	42,555	12,028,798	13,193,519	143,180	211,902	-	-	21,178,903	24,733,647
Intersegment	1,447,638	1,459,222	31,793	73,076	-	-	1,509	8,010	-	-	3,449	-	(1,484,389)	(1,540,308)	-	-
	9,089,080	10,755,519	1,395,241	2,028,208	-	34,242	3,544	50,565	12,028,798	13,193,519	146,629	211,902	(1,484,389)	(1,540,308)	21,178,903	24,733,647
Cost of sales	(9,119,996)	(10,505,644)	(1,204,692)	(1,719,192)	(49,069)	(81,474)	(3,564)	(55,445)	(10,001,685)	(11,353,243)	(179,232)	(225,350)	1,484,389	1,540,308	(19,073,849)	(22,400,040)
Gross (loss) / profit	(30,916)	249,875	190,549	309,016	(49,069)	(47,232)	(20)	(4,880)	2,027,113	1,840,276	(32,603)	(13,448)	-	-	2,105,054	2,333,607
Administrative expenses	(212,383)	(222,729)	(32,602)	(42,001)	(32,174)	(29,987)	(40)	(591)	(111,424)	(117,930)	-	-	-	-	(388,624)	(413,239)
Distribution cost	(14,108)	(14,999)	(76,181)	(136,118)	(800)	(890)	-	-	(1,129,734)	(1,372,619)	(9,636)	(16,510)	-	-	(1,230,459)	(1,541,136)
	(226,491)	(237,728)	(108,783)	(178,119)	(32,974)	(30,877)	(40)	(591)	(1,241,158)	(1,490,549)	(9,636)	(16,510)	-	-	(1,619,083)	(1,954,375)
(Loss) / profit before taxation and unallocated income and expenses	(257,407)	12,147	81,766	130,897	(82,043)	(78,109)	(60)	(5,471)	785,955	349,727	(42,239)	(29,958)	-	-	485,971	379,232
Unallocated income and expenses:																
Other expenses															(79,871)	(41,731)
Finance cost															(567,194)	(486,522)
Other income															314,298	139,873
Taxation															(49,062)	(187,148)
Profit / (loss) after taxation															104,142	(196,296)

7.2 Reconciliation of reportable segment assets and liabilities:

Reconciliation of reportable segment assets and liabilities:												Rupees in thousand (Un-audited) (Audited)	
Sugar		Biofuel		Textile		Farms		Dairy		Juice		Total	
30 June 2023	30 September 2022	30 June 2023	30 September 2022	30 June 2023	30 September 2022	30 June 2023	30 September 2022	30 June 2023	30 September 2022	30 June 2023	30 September 2022	30 June 2023	30 September 2022
Total assets for reportable segments													
9,501,142	9,769,166	6,241,040	5,130,872	556,339	590,394	652,720	649,536	9,617,715	10,089,642	526,448	605,522	27,095,404	26,835,132
Unallocated assets												774,945	314,818
Total assets as per consolidated condensed interim statement of financial position												27,870,349	27,149,950
Total liabilities for reportable segments													
6,107,256	5,003,130	1,982,130	1,481,308	135,564	211,319	13,306	20,430	6,156,406	6,888,297	184,032	282,866	14,578,694	13,887,350
Unallocated liabilities												1,043,613	1,115,794
Total liabilities as per consolidated condensed interim statement of financial position												15,622,307	15,003,144

	Note	30 June 2023 (Rupees in thousand)	30 June 2022 (Rupees in thousand)
8. Cash Generated from Operations			
Profit / (loss) before taxation		153,204	(9,148)
Adjustments for non-cash charges and other items:			
Depreciation of operating fixed assets		920,900	982,146
Depreciation of right-of-use assets		46,596	54,060
Amortization of intangible asset		859	859
Gain on sale non-current assets held for sale		(60,406)	(25,392)
Gain on sale of property, plant and equipment		(14,814)	(10,315)
Finance cost		549,359	475,511
Exchange gain		-	(709)
Provision for employees' retirement benefits		85,813	104,906
Amortization of deferred income		(754)	(777)
Fair value adjustment of agricultural assets		(3,489)	11,559
Amortization of deferred grant		-	(27,897)
Unrealized loss on agriculture income		401	118
Provision for workers' profit participation fund		17,835	11,011
Working capital changes	8.1	(741,537)	(624,160)
		953,967	941,772
8.1 Working capital changes			
(Increase) / decrease in current assets:			
Stock-in-trade		(1,350,897)	181,847
Trade debts		53,282	(80,013)
Stores, spare parts and loose tools		(64,204)	(49,819)
Loans and advances		116,454	(123,149)
Deposits, prepayments and other receivables		(464,246)	292,430
Biological assets - net		867	2,818
		(1,708,762)	224,114
Increase / (decrease) in trade and other payables		967,225	(848,274)
		(741,537)	(624,160)

9. Transactions with Related Parties

Detail of transactions and balances of the group with related parties is as follows:

	Nine Months Ended		Quarter Ended	
	30 June 2023	30 June 2022 (Rupees in thousand)	30 June 2023	30 June 2022
i) Transactions				
Associated companies				
Purchase of goods	20	542,840	20	28,843
Common expenses shared	3,689	10,731	1,005	7,200
Insurance expenses	3,714	4,952	681	1,814
Sale of goods and rendering of services	2,097	605,268	571	71,467
Finance cost	114,509	49,431	43,769	19,054
Ijarah rentals	-	234	-	59
Other related parties				
Holding Company's contribution to employees retirement benefits	8,994	8,583	2,867	1,383
Service charges accrued	3,010	5,046	1,320	1,682
Godown and guest house rent	1,121	4,795	374	3,818
Share of common expenses	2,009	1,994	708	812
Remuneration paid to Chief Executive Officer, directors and executives	115,644	276,322	36,768	91,889
Other transactions with Pension Fund and Gratuity Fund				
- Funds received	277,753	-	-	-
- Markup expense	40,855	-	16,072	-
ii) Period end balances				
Associated companies				
Trade and other payables			4,667	40,618
Cash and bank balances			1,032	12,862
Short term borrowings			520,000	745,000
Long term borrowings			225,000	
Accrued Markup			73,164	7,376
Other related parties				
Trade and other payables			501,185	393,911
Other receivables			24,753	16,811

10. Date of Authorization of Issue

These consolidated condensed interim financial statements were approved and authorized for issue on 31 July 2023 by the Board of Directors of the Holding 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

غیر مجتمع مالی پوزیشن

30 جون 2023 پہ بیلنس شیٹ 30 ستمبر 2022 کے 18,562.01 ملین روپے کے مقابلے میں 19,723.89 ملین روپے پر رہی۔ مجموعی شیئرز ہولڈرز فنڈ 30 ستمبر 2022 کے 10,508.40 ملین روپے کے مقابلے میں 10,475.14 ملین روپے تک کم ہو گیا۔ بریک اپ ویلیو 83.80 روپے تھی۔

مجموع مالی پوزیشن

مجموع بنیاد پر فنانس لاگت اور ٹیکس سے پہلے آپریٹنگ منافع 720.40 ملین روپے (477.37 ملین روپے منافع: 9MFY22) تھا۔ گروپ کا ٹیکس کے بعد 196.30 ملین روپے نقصان کے مقابلے میں 9MFY22 میں ٹیکس کے بعد مجموع منافع 104.14 ملین روپے تھا۔ زیر جائزہ مدت کے دوران، شکر گنج فوڈ پروڈکٹس لمیٹڈ، سبسڈری کمپنی، کا ٹیکس کے بعد منافع 282.50 ملین روپے (80.76 ملین روپے بعد از ٹیکس منافع: 9MFY22) تھا۔ طلب میں اضافے کے ساتھ ہمیں امید ہے کہ مالی سال کے بقیہ حصے میں مجموعی طور پر گروپ کی کارکردگی میں مزید بہتری آئے گی۔ گروپ کی بنیاد پہ بیلنس شیٹ 30 ستمبر 2022 کے 27,149.95 ملین روپے کے مقابلے میں 27,870.35 ملین روپے پر رہی۔ مجموعی ایکویٹی 12,146.81 ملین روپے سے 30 جون 2023 پہ 12,248.04 ملین روپے تک بڑھ گئی۔

مالیاتی جائزہ:

کمپنی بہتر کارکردگی حاصل کرنے اور اپنی لیکویڈیٹی منظر نامے کو بہتر بنانے کے لئے اپنی بہترین کوششوں کے لئے پرعزم ہے۔ لیکویڈیٹی کی قلت پر قابو پانے کے لئے مختلف اقدامات اٹھائے جا رہے ہیں جیسا کہ نوٹ 1.2 میں دی گئی تفصیلات کے ساتھ منسلک عبوری مالی بیانات کو شامل کیا گیا ہے۔ کارکردگی، تاخیر اور پیداواری لاگت کو کم کر کے کمپنی کی پیداوار اور منافع کو بہتر بنانے کے لئے ہر ممکن کوشش کی جا رہی ہے۔ انتظامیہ کا خیال ہے کہ بیان کردہ اقدامات کے نتیجے میں کمپنی کو مستقبل قریب میں اپنے کاروبار کے تسلسل کو برقرار رکھنے کے لئے مناسب مالی وسائل کی دستیابی ہوگی اور اس طرح اس کی گونگ کنسرن حیثیت برقرار رہے گی۔

مستقبل کا نقطہ نظر:

کرٹنگ سیزن بہت مختصر رہا اور ہمارے بائیوفیل آپریشنز کے لئے خام مال قابل عمل قیمتوں پر دستیاب نہیں تھا جبکہ ہمارے ڈسٹری آپریشنز کا مستقبل کا نقطہ نظر ہمیشہ اچھے معیار کے موالس کی مسلسل دستیابی پر منحصر ہوتا ہے۔ ٹیکسٹائل کے کاروبار میں خام مال کی قیمت زیادہ ہونے کی وجہ سے مشکل کاروباری ماحول رہا اور ابھی تک آپریشن شروع نہیں کیا جاسکا۔ جیسا کہ ہماری پچھلی سالانہ رپورٹ میں ذکر کیا گیا ہے، انتظامیہ لیکویڈیٹی کی کمی پر قابو پانے کے لئے اقدامات کر رہی ہے اور ہمیں امید ہے کہ کمپنی منافع بخش حالت میں واپس آجائے گی۔ تمام چیلنجوں کے باوجود، ہم اس مشکل وقت سے گزرنے کے لئے پرعزم ہیں۔

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

منجانب بورڈ

Al-Hakem

علی الطاف سلیم

ڈائریکٹر

31 جولائی 2023 ء

محمد سیف اللہ

چیف ایگزیکٹو آفیسر

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 30 جون 2023ء کو ختم ہونے والی سہ ماہی اور نو ماہ کے لئے کمپنی کی کنڈینڈ عبوری مالیاتی معلومات بخوشی پیش کرنے پر خوش ہیں۔

مالی اور آپریشنل کارکردگی:

جیسا کہ ششماہی جائزے میں پہلے بتایا گیا تھا، ہم نے 02 مارچ کو کرشنک مہم کے جلد بند ہونے کے ساتھ موجودہ سیزن کے دوران شکر گنج میں تاریخی طور پر چینی کی سب سے زیادہ 10.26 فیصد کی ریکوری حاصل کی۔ شکر گنج کی تاریخ میں یہ دوسرا سب سے چھوٹا کرشنک سیزن تھا جو گزشتہ سال کے 145 دنوں کے مقابلے میں صرف 88 دن تک جاری رہا۔ کرشنک سیزن 05 دسمبر 2022 کو شروع ہوا تھا اور جنوری کے وسط تک آسانی سے چل رہا تھا کہ اچانک جھنگ کے آس پاس کی مختلف شوگر ملیں گئے کی عدم دستیابی کی وجہ سے بند ہونے لگیں اور بالآخر 02 مارچ 2023 کو شکر گنج میں سیزن بند کر دیا گیا۔ انتہائی مشکل صورتحال کے باوجود آپ کی کمپنی 1,019,181 میٹرک ٹن گئے کو کرش کرنے میں کامیاب رہی جبکہ پچھلے سال اسی عرصے میں 1,347,651 میٹرک ٹن گئے کی کرشنک کی گئی تھی۔ سیزن کا آغاز پنجاب میں گئے کی اب تک کی بلند ترین امدادی قیمت 300 روپے فی 40 کلوگرام کے ساتھ ہوا۔ یہ ایک بڑا چیلنج تھا کیونکہ چینی کی قیمت طے نہیں کی گئی تھی بلکہ حکومت نے مختلف اقدامات کر کے اس پر منفی کنٹرول کیا تھا۔ گئے کی خریداری کافی زیادہ قیمت پر کی گئی جس کے نتیجے میں ملوں کے درمیان سخت مقابلہ ہوا۔ ہمارے بائیو فیول کے کاروبار نے بھی مثبت کردار ادا کیا ہے لیکن غیر متوقع مختصر سیزن کی وجہ سے ہماری مولا سس کی خریداری کی مہم متاثر ہوئی ہے۔ یارن مارکیٹ کی مجموعی صورتحال کی وجہ سے ہمارا ٹیکسٹائل کا کاروبار متاثر ہوا ہے کیونکہ ٹیکسٹائل کے کاروبار میں مشکل کاروباری ماحول جاری رہا لہذا اس عرصے کے دوران پلانٹ نہیں چل سکا۔

نو ماہ کی زیر جائزہ مدت کے دوران تمام چیلنجز کے باوجود کمپنی نے پچھلے سال اسی عرصے میں 506.78 ملین روپے کے مجموعی منافع کے مقابلے میں 110.54 ملین روپے کا مجموعی منافع کمایا۔ پچھلے سال آپریشنز سے حاصل ہونے والے 149.55 ملین روپے منافع کے مقابلے میں 81.24 ملین روپے مجموعی نقصان رہا۔ کمپنی نے گزشتہ سال کے اسی عرصے میں 157.84 ملین روپے کے بعد از ٹیکس نقصان کے مقابلے میں 202.73 ملین روپے کا قبل از ٹیکس نقصان اور 30.35 ملین روپے کا بعد از نقصان ظاہر کیا۔ کمپنی نے اپنی ایکویٹی اکاؤنٹڈ انوسٹی شکر گنج فوڈ پروڈکٹس لمیٹڈ میں پچھلے سال کے اسی عرصے کے 42.32 ملین روپے نقصان کے مقابلے میں 148 ملین روپے کا منافع ریکارڈ کیا ہے۔

کاروباری شعبہ جات: شوگر ڈویژن

مالی سال 2023 کے نو ماہ میں شوگر ڈویژن کی آمدنی پچھلے سال کی خالص فروخت 9,360 ملین روپے اور انٹر سیگمنٹ فروخت 1,396 ملین روپے کے مقابلے میں 7,698 ملین روپے اور انٹر سیگمنٹ فروخت 1,391 ملین روپے رہی۔ شوگر ڈویژن نے 1,019,181 میٹرک ٹن (9M22: 1,347,651 MT) گنا کرش کر کے 10.26 فی صد (9.36 فی صد: 9M22) کی اوسط سے 104,540 میٹرک ٹن (9M22: 126,112 MT) چینی پیدا کی۔

مجموعی نقصان کا مارجن گزشتہ سال کی اسی مدت کے مجموعی منافع 2.32 فیصد کے مقابلے میں موجودہ مدت کے دوران 0.34 فیصد رہا۔ بوٹم لائن کا نتیجہ گزشتہ سال کی اسی مدت کے لیے 12.15 ملین روپے قبل از ٹیکس منافع کے مقابلے میں 257.41 ملین روپے قبل از ٹیکس نقصان رہا۔

بائیو فیول ڈویژن:

اس عرصے کے دوران بائیو فیول ڈویژن کی خالص فروخت آمدنی پچھلے سال کی خالص فروخت 1,955 ملین روپے کے ساتھ انٹر سیگمنٹ فروخت 73 ملین روپے کے مقابلے میں 1,363 ملین روپے کے ساتھ انٹر سیگمنٹ فروخت 32 ملین روپے رہی۔ اس مدت کا مجموعی منافع پچھلے سال کے 309.02 ملین روپے کے مقابلے میں 190.55 ملین روپے مجموعی منافع رہا۔ بوٹم لائن پچھلے سال کے اسی عرصے میں ٹیکس سے پہلے 130.90 ملین روپے منافع کے مقابلے میں ٹیکس سے پہلے 81.77 ملین روپے کا منافع ہوا۔ اس ڈویژن کی پیداوار 9.93 ملین لیٹرز (21.57 ملین لیٹرز: 9M22) تھی۔

ٹیکسٹائل ڈویژن

زیر جائزہ مدت کے دوران کوئی آپریشن نہ ہونے کی وجہ سے ٹیکسٹائل ڈویژن میں کوئی پیداوار نہیں ہوئی جیسا کہ پچھلے عرصے میں ہوا تھا۔



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