CONTENTS

VISION, MISSION & VALUES

To gain and maintain leadership in the industries it competes in by producing the best quality products with lowest possible cost.

To give the best returns to shareholders by optimal allocation of resources to the products and markets the company competes in.

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

To provide the best working environment to its employees and provide opportunities to them for enhancing their skills.

To work with its farmers, suppliers and distributors as partners developing their expertise and profitability.

To pursue environment friendly policies and effectively and efficiently use all energy resources aiming for zero waste and a clean healthy environment in its vicinity.

To be a socially responsible corporate citizen supporting education, health, environment and socio economic development of the society.
Vision, Mission & Values

COMPANY INFORMATION

BOARD OF DIRECTORS

Mazhar Karim	Chairman
Ahsan M. Saleem	Chief Executive
Kaleem Uddeen Ahmad	Non-Executive Director
Khalid Bashir	Non-Executive Director
Muhammad Anwar	Non-Executive Director
Muhammad Arshad	Non-Executive Director
Muhammad Asif	Non-Executive Director

AUDIT COMMITTEE

Chairman	Muhammad Anwar
	Khalid Bashir
	Muhammad Asif

CHIEF FINANCIAL OFFICER

Mehboob Ali Qureshi

MANAGEMENT COMMITTEES

Business Strategy Committee

Chairman	Ahsan M. Saleem
	Anjum M. Saleem
	Muhammad Asghar Qureshi
	Pervaiz Akhter
	Manzoor Hussain Malik
	Shahid Hamid Mir
	Ch. Shah Muhammad

Executive Committee

Chairman	Ahsan M. Saleem
	Anjum M. Saleem
	Muhammad Asghar Qureshi

System & Technology Committee

Chairman	Muhammad Awais Qureshi
	Ch. Shah Muhammad
	Mehboob Ali Qureshi
	Saad Akhtar Jaffery

Investment Committee

Chairman	Ahsan M. Saleem
	Anjum M. Saleem

Human Resource Committee

Chairman	Muhammad Asghar Qureshi
	Muhammad Awais Qureshi
	Ch. Shah Muhammad
	Mehboob Ali Qureshi
	Hameedullah Awan

SHAREHOLDERS' INFORMATION

Stock Exchange Listing

Shakarganj Mills Limited is a listed company and its shares are traded on all the three stock exchanges of Pakistan. Daily quotes on the company's stock can be obtained from leading newspapers. Shakarganj is listed under 'Sugar and Allied'

Public Information

Financial analysts, Stock brokers, interested investors and financial media desiring information about "Shakarganj" should contact Share Department at Company's registered Office, Lahore.
Tel: +92-42-5783830 & 33 +92-42-5783827-29

Shareholder Information

Inquiries concerning lost stock certificates, dividend payment, change of address, verification of transfer deeds and share transfers should be directed to Shareholder Services Department at the Registered Office at Lahore.
Tel: +92-42-5783830 & 33 +92-42-5783827-29
Fax: +92-42-5875916

Products

- Ethanol
- Particle Board
- Sugar
- Yarn
- Electricity
- Engineering Products

Legal Advisor

Hassan & Hassan Advocates, Lahore.

Auditors

A. F. Ferguson & Co.
Chartered Accountants

Bankers

- Allied Bank Limited
- Askari Commercial Bank Limited
- Bank Alfalah Limited
- Samba Bank Limited
- Faysal Bank Limited
- Meezan Bank Limited
- MCB Bank Limited
- NIB Bank Limited
- National Bank of Pakistan Limited
- The Bank of Punjab
- United Bank Limited
- Standard Chartered Bank (Pakistan) Limited
- Saudi Pak Commercial Bank Limited

Works

Principal Facility
Management House, Toba Road
Jhang, Pakistan.
Tel:+92-47-7629337-41
Tlx: 43471CJP PK Fax: +92-47-7620272
E-mail: ssugar@shakarganj.com.pk

Satellite Facilities

Shakarganj Bhone
63 K.M. Jhang Sargodha Road,
Bhone-Pakistan.
Tel: +92-47-7223016, 223075
Fax: +92-47-7223017

Shakarganj Dargai Shah
8 K.M. 18 Hazari, Layyah Road,
Jhang-Pakistan.
Tel: +92-47-7006442-7006440
Fax: +92-47-7010127

Website

www.shakarganj.com.pk

Note: This interim Report is available on Shakarganj website

Registered Office

BOP Tower, 10-B Block E 2, Gulberg III, Lahore. Pakistan
Tel: +92-42-5783827-29
Fax: +92-42-5875916

Principal Office

10th Floor, BOP Tower, 10-B Block E 2,
Gulberg III, Lahore. Pakistan
Tel: +92-42-5783801-2
Fax: +92-42-5870357

Karachi Office

Sidco Avenue Centre, 264 R.A. Lines, Karachi.
Tel: +92-21-5688149

Faisalabad Office

Nishatabad, New Lahore Road, Faisalabad.
Tel: +92-41-753037

COMPANY PROFILE

Shakarganj Mills Limited was incorporated in Pakistan in 1967 as a Public Limited Company and is listed on all stock exchanges in Pakistan. Shakarganj is a leading manufacturer of renewable food products, ingredients and textiles. All our products are made from renewable crops and by-products. We transform renewable agriculture crops, sugarcane and cotton, into value added products for customers in the sugar, food, beverage, pharmaceutical, fuel and power, cosmetics, building and textile industries. Some of our ingredients from renewable sources often replace synthetic and petrochemical alternatives. The company has its principal manufacturing facilities in Jhang along with satellite manufacturing facilities at Bhone, Faisalabad and Dargai Shah.

The registered office of the company is situated in Lahore.

In addition to the various business divisions and wholly owned subsidiaries, Shakarganj holds major interest in Shakarganj Food Products Limited, which is engaged in production of dairy and fruit products.

Sugar Business:

Three manufacturing facilities located at Jhang, Bhone and Dargai Shah. The products include Coarse and fine grain white crystalline sugar in pharmaceutical, beverage and commercial grades. Crystalline and soft brown sugar. Castor and icing sugar. Ice cubes, sachets and retail packs.

The combined capacity of crushing is 24,000 metric tons sugarcane per day expandable up to 40,000 metric tons per day.

Ethanol Business:

Ethanol is produced in distilleries located at Jhang and Bhone. The Products include, rectified ethanol in industrial and food grades, Anhydrous Ethanol (fuel grade) and Extra Neutral Ethanol in pharmaceutical and perfume grades. The combined capacity of distilleries is 280,000- 300,000 litres per day.

Building Materials Business:

Particle Board facility located at Jhang with a capability to produce 12 feet x 4 feet sheets in varying thicknesses. Daily production capacity is 30 cubic meters.

Alternate Energy Business:

Located at Jhang, this facility comprises of an Effluent Treatment Plant (ETP) and a Power Generation Facility. ETP operations involve biological treatment of distillery waste to produce Methane and a biological de-sulphurization plant to remove sulphur from the methane gas. This gas is then used in the power house to produce electricity which is sold to a utility company on the national grid. The present capacity of this plant is 8 megawatts.

Engineering Business:

Manufacturing and fabrication facility is located in Faisalabad. So far this facility was primarily used for production and machinery and components for in-house use. This division is now poised to leverage its experience and expertise to seek third party work.

Textile Business:

Located at Jhang, this cotton spinning unit produces carded cotton yarns ranging from 10/s to 30/s and doubled cotton yarn ranging from 8 to 15 TPI. The installed capacity is 25,856 spindles for cotton spinning and 2,304 spindles for doubling.

Farming Business:

This comprises of different parcels of land mainly located in Jhang division nearby our manufacturing facilities. Total area under cultivation is over 9,000 acres of which nearly 2,500 acres is owned land and rest is leased. The main crops include Sugarcane, Wheat, Gram, Maize, Fodder and seasonal vegetables. A dairy farm located in jhang with a herd of 200 milking cattle a small herd for fattening is under development.

COMPANY PROFILE

Business vision and strategy:

Shakarganj's vision is to create country's leading renewable ingredients business. We aim to achieve this by building a consistent portfolio of distinctive, profitable, high-value solutions in products and services for our customers. Shakarganj is committed to providing long-term value for our shareholders. Our strategy is to build a stronger value added business on a low-cost commodity base. To deliver growth, we focus on five key business objectives.

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 on technical and manufacturing excellence and the efficient use of services such as logistics and utilities, we are continually working to improve the efficiency of our operations. We also strive to ensure that there are safe and healthy conditions for everyone at our sites.

Invest in long term assets and partnerships:

We continually evaluate investment opportunities that would add strategic value by enabling us to enter new markets or add products, technologies and knowledge more efficiently than we could organically. We also aim to grow our business by forming joint ventures and partnerships to enhance the capabilities of our existing product portfolio. Using alliances and joint ventures can be an efficient way to lower our cost of investing in new areas and markets, and 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 develop 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 we have the right skills at all levels to grow our business.

Grow the contribution from value added products:

We are committed to continuing to grow the contribution from our value added products. Value added products utilise technology intellectual property enabling us to obtain a price premium and/or sustainable higher margins.

CHIEF EXECUTIVE REVIEW

Dear Shakarganj Shareholder

I am pleased to present the financial statements of your company for the six months ended 31st March 2009. These were subject to a limited scope review by the auditors A. F Ferguson & Co. and their report is attached to the financial statements.

The following paragraphs give the review of operating performance of divisions of the company.

Sugar Division

Due to the cyclical nature of sugarcane crop, availability of cane was drastically reduced this year. As cane production was surplus last year, and substantial portion of it was frost damaged, the growers reduced the sowing for the current season. They were also inclined to plant alternative crops due to high price of wheat and cotton. The overall availability of cane was down by more than 35 percent. Due to the short crop the price of cane also spiraled to unprecedented limits. While there was a 33 percent increase in the minimum price from Rs. 60 to Rs. 80 per 40 kg the actual prices reached as far as Rs. 150.

Due to shortage of raw material the operations started fairly late on 24 November 2008 and came to a close on March 13 2009. The production of sugar was obviously much lower at 68,573 metric tons compared to 168,274 metric tons in the corresponding period. The recovery rate improved to 9.16 percent compared to 7.87 percent in the previous season. In addition to the two sugar plants, the Dargai Shah plant was also brought into production on a trial run for a short period.

Sales of the sugar division was Rs. 2,062 million compared to Rs. 2,191 million in the corresponding period of the last year. Gross profit margin for the period ended March 31, 2009 increased to 10.99% compared to 1.12% in the corresponding period due to increase in average selling price of sugar.

Operating expenses were Rs. 77.017 million in 1st half of the year as compared to 77.597 million in the corresponding period of last year. The operating profit amounted to Rs. 149.624 million as compared to operating loss of Rs. 52.967 million in the corresponding period.

Ethanol and Alternate Energy Business

The performance of the segment has been improved in the first half of the year compared to the corresponding period due to increase in selling price.

Sales revenue of Ethanol and Alternate Energy Division stood at Rs. 896.570 million compared to Rs. 555.567 million in the corresponding period. Gross profit margin slightly decreased from 26.32% in the first half of the last year to 26.22 % in the current year.

The ethanol division produced 27.429 million liters in 1st half of year 2009 as compared to 36.965 million liters in the corresponding period of last year. Production of this division was affected due to short season resulting lower production of molasses. Current production includes 5.937 million litters from Bhone facility which operated for 78 days during the current half of the Fiscal 2009.

Operating expenses stood at Rs. 86.915 million during the 1st half of year 2009 compared to Rs. 73.551 million in the

CHIEF EXECUTIVE REVIEW

corresponding period of last year. The operating profit increased from Rs. 72.695 million to Rs. 148.124 million in the 1st half of the current year.

Bio-gas Power Division

The pioneering project of bio-gas power generation has performed well in six months by adding positive return to the company's profit. The electricity generated is sold to FESCO. Bio-gas power generation can produce up to 8 Megawatts of electricity. The output is directly related to the spent wash received as distillery waste from distillery operation.

The segment produced 18,215,800 unit of power. The operating profit was Rs.71.686 million.

Textile Division

As reported earlier the industry is facing difficult time due to adverse operating conditions in the first half of the year. The yarn market remained depressed and sales confined to the local market. Sales revenue of the Textile Division was Rs. 473.343 million in the first half of Fiscal 2009 as compared to Rs. 431.183 million in the corresponding half of 2008 with the gross loss 14.35% from gross loss of 3.33% in the last period.

Overall production in the current period was 70,877 bags against 73,852 bags in the corresponding period. Actual production in 20's converted was 72,980 bags (7,298,000 Lbs). During the current period the single yarn processed at the doubling plant and produced 26,016 bags compared to 27,250 bags in the corresponding period. Overall production performance could have been much better, but the frequent shut downs in electric supply from WAPDA seriously affected the total output.

Operating expenses stood at Rs. 14.646 million for the current period compared to Rs.19.339 million in the corresponding period. This is due to decline in export sale. There is an operating loss of Rs. 82.550 million against operating loss of Rs. 33.716 million in the corresponding period.

Building Material Division

The production of this division has reduced due to the less availability of bagasse because of shorter duration of cane crushing of 2008-09. In the current period 1,238 cubic meters of particle board was produced as compared to 4,984 cubic meters in the corresponding period.

Sales revenue of the building material division stood at Rs. 19.508 million as compared to 27.548 million in the corresponding period of last year. Gross profit margin decreased from 32.62% to 1.56% in the 1st half of the current year mainly due to short duration of the season.

Investment

During the first half of the year, the stock market started showing signs of improvements after a long slump. Although there has been a sustained diminution in the values of our investments based on stock market pricing, however the underlying values of these investments are still robust. The management feels that this diminution is not of permanent nature and it would not be appropriate to write off this reduction in the profit and loss account of the company because we expect the reversal of these values in a short time horizon. The effect of this has been taken in the equity of the company, but a permanent loss has not been booked. This is a deviation from the strict application of International Accounting Standards, however the management has a firm opinion that application of IAS rules will distort the correct position of the company presented to the shareholders. Our auditors have not concurred with this view as they have to comply with the strict requirements of IAS and have expressed their differing opinion in their report to the shareholders.

Overall Results

During the first half of the year under review, company has a net loss of Rs. 427.984 million against loss of Rs. 440.771 million in corresponding period.

Administrative and general expenses stood at Rs. 117.927 million compared to Rs. 101.890 million in the corresponding period. These expenses were increased due to commencement of Dargai Shah and the massive mandatory increases in the salaries and wages mandated by the government. The financial charges have increased from Rs. 380.081 million to Rs.653.593 million due to higher level of borrowing and increase in average borrowing rates.

Due to the sustained effect of adverse business environment in core areas of our operations the company has been under a financial pressure which was further aggravated because of the global slump and extremely unusual economic conditions worldwide.

The management is cognizant of the fact that major cost reductions and re-profiling of company's debt structure is of primary importance. We feel that with 40 years of experience and history of extremely efficient operations, our market positioning and underlying value of our core assets this temporary phase of adversity will be comfortably met. The rationalization of operations is underway which will yield major cost reductions. A major debt re-profiling exercise is also underway and expected to be completed by 31 July 2009.

Auditors Reservation

With reference to the emphasis of the matter paragraph contained in auditors report to the members on review of interim financial information and in view of the discussion in preceding paragraphs, we are confident that we would be able to get significant part of our short term borrowings re-profiled into long term borrowings and ensure roll over of our other short term borrowing facilities. We also sure that we shall be able to generate adequate liquidity through disposal of certain non performing long term assets and we confident of the company's continuous operation as a going concern.

Future Outlook

In the present uncertain conditions it is the most difficult job to make categorical statements on the future outlook of any business. Any predictions and projections for an industry relying on agricultural raw materials are even more difficult due to the vagaries of weather and climatic conditions. A number of our operational capabilities are interlinked with the production results of our core business, sugar manufacturing. We have taken a number of remedial and protective measures to insulate the company from the impact of global economic meltdown. On the positive side the sugar commodity prices are firm and are expected to improve further, which would result in positive contribution to company's earnings. Our positioning the industry as one of the largest integrated unit gives a competitive edge over other manufacturers. We intend to leverage this competitive edge and operate at highest efficiency to cater for any further negative impacts. While sugar and ethanol business is expected to do better in the coming months, textile business will remain under pressure. However our buying strategy for cotton has resulted in adequate raw material at lower prices and this will give us some opportunity to minimize the operational losses in the remaining months. Our alternate energy plant continues to positively contribute to the revenues and if adequate raw material can source this revenue will further increase.

On behalf of the Board

Ahsan M. Saleem
Chief Executive Officer

May 29, 2009

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of Shakarganj Mills Limited (here-in-after referred to as the "company") as at March 31, 2009 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity for the half year then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended March 31, 2008 and 2009 have not been reviewed, as we are required to review only the cumulative figures for the half year ended March 31, 2009.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

Decline in fair value of available for sale investments in quoted companies has been recognized directly in equity instead of impairment loss through profit and loss account as required by International Accounting Standard 39 "Financial Instruments: Recognition and Measurement". Had the impairment loss been recognized through profit and loss account, loss for the half year ended March 31, 2009 would have been higher by Rs 283.818 million. However, there will be no financial impact of this qualification on the shareholders' equity as at March 31, 2009.

Conclusion

Based on our review, except for the matter referred to in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half year ended March 31, 2009 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

We draw attention to note 1.2 to the interim financial information which states that the interim financial information is prepared on a going concern basis for the reasons explained in the note. The interim financial information consequently, does not include any adjustments relating to the realisation of its assets and liquidation of any liabilities that might be necessary should the company be unable to continue as a going concern.

Chartered Accountants

Lahore.

Name of engagement partner: Muhammad Masood

May 29, 2009

CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2009 (UN-AUDITED)

	Note	March 31, 2009	September 30, 2008
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
80,000,000 (September 30, 2008: 80,000,000) ordinary shares of Rs 10 each		**800,000**	800,000
50,000,000 (September 30, 2008: 50,000,000) preference shares of Rs 10 each		**500,000**	500,000
		1,300,000	1,300,000
Issued, subscribed and paid up capital			
69,523,798 (September 30, 2008: 69,523,798) ordinary shares of Rs 10 each		**695,238**	695,238
Reserves		**645,594**	1,084,562
Accumulated loss		**(587,519)**	(159,546)
		753,313	1,620,254
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		**2,043,816**	2,043,827
NON-CURRENT LIABILITIES			
Long term finances	6	**1,766,103**	2,062,440
Liabilities against assets subject to finance lease		**218,524**	285,427
Employees' retirement benefits		**14,017**	11,029
Deferred income		**6,951**	8,799
		2,005,595	2,367,695
CURRENT LIABILITIES			
Current portion of long term liabilities		**736,402**	1,026,316
Short term borrowings - secured		**4,860,320**	4,110,840
Trade and other payables		**1,495,022**	884,510
Accrued finance cost		**409,540**	315,482
		7,501,284	6,337,148
Liabilities directly associated with non-current assets classified as held for sale	11	**33,474**	37,864
		7,534,758	6,375,012
CONTINGENCIES AND COMMITMENTS	7		
		12,337,482	12,406,788

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

Chief Executive

Chairman

CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2009 (UN-AUDITED)

	Note	March 31, 2009	September 30, 2008
		(Rupees in thousand)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	8	**6,025,765**	5,304,266
Intangible assets		**1,806**	1,994
Assets subject to finance lease		**559,845**	335,078
Capital work-in-progress		**512,066**	1,284,215
Biological assets		**6,829**	6,248
Investments - related parties	9	**878,590**	917,771
Long term loans, advances, deposits and prepayments		**299,122**	287,246
		8,284,023	8,136,818
CURRENT ASSETS			
Stores, spares and loose tools		**102,763**	96,873
Stock-in-trade		**1,822,303**	1,271,798
Trade debts		**179,647**	120,258
Investments	10	**264,656**	407,578
Loans, advances, deposits, prepayments and other receivables		**177,516**	187,575
Cash and bank balances		**96,069**	346,394
		2,642,954	2,430,476
Non-current assets held for sale	11	**1,410,505**	1,839,494
		4,053,459	4,269,970
		12,337,482	12,406,788

Chief Executive

Chairman

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE QUARTER AND HALF YEAR ENDED MARCH 31, 2009 (UN-AUDITED)

			Quarter ended		Half year ended	
			March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
	Note		(Rupees in thousand)			
Continuing Operations:						
Sales	12.1		**1,924,311**	1,795,420	**3,225,006**	2,822,579
Cost of sales	12.2		**(1,693,362)**	(1,796,553)	**(2,754,817)**	(2,630,284)
Gross profit / (loss)			**230,949**	(1,133)	**470,189**	192,295
Administrative expenses			**(68,580)**	(55,479)	**(117,927)**	(101,890)
Distribution and selling costs			**(43,371)**	(44,615)	**(67,419)**	(69,811)
Other operating expenses			**(17,166)**	(58,694)	**(34,114)**	(60,863)
Other operating income			**45,084**	29,729	**68,117**	45,441
Profit / (loss) from operations			**146,916**	(130,192)	**318,846**	5,172
Finance cost			**(315,636)**	(202,037)	**(653,593)**	(380,081)
Loss before taxation			**(168,720)**	(332,229)	**(334,747)**	(374,909)
Taxation			**(7,951)**	(9,298)	**(8,304)**	(14,700)
Loss for the period from continuing operations			**(176,671)**	(341,527)	**(343,051)**	(389,609)
Discontinued Operations:						
Loss for the period from discontinued operations			**(28,904)**	(43,474)	**(84,933)**	(51,162)
Loss for the period			**(205,575)**	(385,001)	**(427,984)**	(440,771)
Loss per share from continuing operations						
- basic	13	Rupees	**(2.54)**	(4.91)	**(4.93)**	(5.60)
- diluted	13	Rupees	**(2.54)**	(4.91)	**(4.93)**	(5.60)
Loss per share from discontinued operations						
- basic	13	Rupees	**(0.42)**	(0.63)	(1.22)	(0.74)
- diluted	13	Rupees	**(0.42)**	(0.63)	(1.22)	(0.74)

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

Chief Executive

Chairman

CONDENSED INTERIM CASH FLOW STATEMENT
FOR HALF YEAR ENDED MARCH 31, 2009 (UN-AUDITED)

	Note	Half year ended March 31, 2009	Half year ended March 31, 2008
		(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from / (used in) operations	14	**526,891**	(558,542)
Finance cost paid		**(580,742)**	(353,852)
Taxes paid		**(14,173)**	(10,866)
Employees' retirement benefits paid		**(3,773)**	(2,089)
Net decrease / (increase) in long term advances, loans, deposits and prepayments		**1,460**	(177,325)
Net cash used in operating activities		**(70,337)**	(1,102,674)
Cash flows from investing activities			
Fixed capital expenditure		**(291,170)**	(378,137)
Investment made		**(2,250)**	(422,861)
Proceeds from sale of investments		**-**	180,474
Dividend received		**11,640**	6,084
Income from bank deposits received		**3,979**	-
Sale proceeds from sale of livestock		**174**	-
Sale proceeds from sale of property, plant and equipment		**1,313**	1,001
Net cash used in investing activities		**(276,314)**	(613,439)
Cash flows from financing activities			
Disbursement of long term finances		**-**	403,000
Repayment of long term finances		**(181,463)**	(232,539)
Net increase in short term borrowings - secured		**350,660**	1,427,219
Finance lease liabilities - net		**(72,871)**	(62,009)
Dividend paid		**-**	(57,936)
Net cash generated from financing activities		**96,326**	1,477,735
Net decrease in cash and cash equivalents		**(250,325)**	(238,378)
Cash and cash equivalents at the beginning of the period		**346,394**	493,241
Cash and cash equivalents at the end of the period		**96,069**	254,863

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

Chief Executive

Chairman

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR HALF YEAR ENDED MARCH 31, 2009 (UN-AUDITED)

(Rupees in thousand)

	Share Capital	Reserves										Accumulated (loss) / profit	Total
		Capital Reserve					Revenue Reserve						
		Reserve for bonus shares	Share premium	Fair Value reserve	Difference of capital under scheme of arrangement of merger	Sub - Total	General	Dividend Equalization	Equity Investment Market value equalization	Sub - Total	Total		
Balance as on September 30, 2007	579,365	-	243,282	269,997	155,930	669,209	526,479	22,700	83,000	632,179	1,301,388	704,393	2,585,146
Fair value gain during the period	-	-	-	203,859	-	203,859	-	-	-	-	203,859	-	203,859
Transfer from surplus on revaluation of property, plant and equipment - net of tax	-	-	-	-	-	-	-	-	-	-	-	11	11
Transfer to profit and loss account on dercognition of shares	-	-	-	1,434	-	1,434	-	-	-	-	1,434	-	1,434
Impairment loss transferred to profit and loss account	-	-	-	(1,443)	-	(1,443)	-	-	-	-	(1,443)	-	(1,443)
Transfers from general reserve for issue of bonus shares	-	115,873	-	-	-	115,873	(115,873)	-	-	(115,873)	-	-	-
Final dividend for the year ended September 30, 2007 - Rs 1 per share	-	-	-	-	-	-	-	-	-	-	-	(57,936)	(57,936)
Bonus shares issued during the period	115,873	(115,873)	-	-	-	(115,873)	-	-	-	-	(115,873)	-	-
Loss for the period	-	-	-	-	-	-	-	-	-	-	-	(440,771)	(440,771)
Balance as on March 31, 2008	695,238	-	243,282	473,847	155,930	873,059	410,606	22,700	83,000	516,306	1,389,365	205,697	2,290,300
Fair value loss during the period	-	-	-	(304,817)	-	(304,817)	-	-	-	-	(304,817)	-	(304,817)
Transfer from surplus on revaluation of property, plant and equipment - net of tax	-	-	-	-	-	-	-	-	-	-	-	11	11
Transfer to profit and loss account on dercognition of shares	-	-	-	(1,429)	-	(1,429)	-	-	-	-	(1,429)	-	(1,429)
Impairment loss transferred to profit and loss account	-	-	-	1,443	-	1,443	-	-	-	-	1,443	-	1,443
Loss for the period	-	-	-	-	-	-	-	-	-	-	-	(365,254)	(365,254)
Balance as on September 30, 2008	695,238	-	243,282	169,044	155,930	568,256	410,606	22,700	83,000	516,306	1,084,562	(159,546)	1,620,254
Fair value loss during the period	-	-	-	(438,968)	-	(438,968)	-	-	-	-	(438,968)	-	(438,968)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	-	-	-	-	-	-	-	-	-	-	11	11
Loss for the period	-	-	-	-	-	-	-	-	-	-	-	(427,984)	(427,984)
Balance as on March 31, 2009	**695,238**	**-**	**243,282**	**(269,924)**	**155,930**	**129,288**	**410,606**	**22,700**	**83,000**	**516,306**	**645,594**	**(587,519)**	**753,313**

The annexed notes 1 to 17 form an integral part of these financial statements.

Chief Executive

Chairman

NOTES TO AND FORMING PART OF THE FINANCIAL INFORMATION
FOR THE QUARTER AND HALF YEAR ENDED MARCH 31, 2009 (UN-AUDITED)

1. The company and its operations

1.1 The company is incorporated in Pakistan and is listed on Karachi, Lahore and Islamabad Stock Exchanges. It is principally engaged in growing of sugar cane; manufacture, purchase and sale of sugar, ethanol, building material, yarn, industrial scale steel equipment and engaged in generation and sale of electricity. The company has its principal manufacturing facilities at Jhang and a satellite manufacturing facility at Bhone. The registered office of the company is situated in Lahore.

1.2 As evidenced from the Balance Sheet the company's current liabilities exceed its current assets by approximately Rs 3.5 billion as at March 31, 2009.

Continuation of the company as a going concern is dependent on its ability to:
- attain satisfactory levels of profitability in the future;
- rectify its working capital mismatch; and
- dispose off certain non performing long term assets to improve its liquidity issues.

This interim financial information has been prepared on a going concern basis. The management is confident that it would be able to get significant part of its short term borrowings re-profiled into long term borrowings and ensure roll over of its other short term borrowing facilities. The management also believes that it will be able to generate adequate liquidity through disposal of its certain non performing long term assets. This interim financial information consequently, does not include any adjustments relating to the realisation of its assets and liquidation of any liabilities that might be necessary should the company be unable to continue as a going concern, as the management is confident of the company's continuous operation as a going concern.

2. Statement of compliance

This condensed interim financial information is un-audited and is being submitted to the members as required by section 245 of the Companies Ordinance, 1984. The condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 'Interim Financial Reporting' and have been reviewed by the auditors as required by the Code of Corporate Governance.

3. Significant Accounting Policies

The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the company for the year ended September 30, 2008.

4. Use of estimates and judgements

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Estimates and judgements used by the management of the company in preparation of condensed interim financial information are same as those in preparation of preceding annual published financial statements for the year ended September 30, 2008 except for the value of mature sugarcane crops which is based upon estimated average yield of 348 (September 30, 2008: 611) mounds per acre on cultivated area of 524 (September 30, 2008: 3,997) acres. The value of wheat crop is based on the estimated yield of 28 mounds per acre on cultivated area of 3,266 acres.

5. The provision for taxation for the half year ended March 31, 2009 has been made on an estimated basis.

6. Long term finances

	March 31, 2009	September 30, 2008
	(Rupees in thousand)	
Opening balance	**2,930,753**	2,245,822
Add: Disbursements during the period	**-**	1,433,000
	2,930,753	3,678,822
Less: Repayments during the period	**(181,463)**	(514,757)
Transferred to short term borrowings	**(398,820)**	(211,068)
Classified as held for sale	**-**	(22,244)
	2,350,470	2,930,753
Less: Current portion shown under current liabilities	**(584,367)**	(868,313)
	1,766,103	2,062,440

7. Contingencies and commitments

7.1 Contingencies

The company has issued following guarantees:

(i) Bank guarantee of Rs 86.50 million (September 2008: Rs 86.50 million) in favor of Sui Northern Gas Pipelines Limited against performance of contracts.

(ii) Cross corporate guarantee in favour of Allied Bank Limited to secure long term finance facility availed by the company's associated undertaking, Shakarganj Food Products Limited of Rs 467 million (September 2008: 467 million).

(iii) The company has issued a post dated cheque in favour of the Collector of Customs against custom duty clearance in respect of import of plant and machinery amounting to Rs 5.040 million (September 2008: Rs 7.680 million).

7.2 Commitments

The company has the following commitments in respect of:

(i) Letters of credit other than capital expenditure Rs 120.742 million (September 2008: Rs 56.721 million).

(ii) Contracts for capital expenditure amounting to Rs 87.36 million (September 2008: Rs 273.202 million).

NOTES TO AND FORMING PART OF THE FINANCIAL INFORMATION
FOR THE QUARTER AND HALF YEAR ENDED MARCH 31, 2009 (UN-AUDITED)

(iii) Contracts for acquisition of intangible assets (computer software) amounting to Rs 20 million (September 2008: Rs 20 million).

(iv) The amount of future payments under operating leases and the period in which these payments will become due are as follows:

	Note	March 31, 2009	September 30, 2008
		(Rupees in thousand)	
Not later than one year		**25,749**	25,749
Later than one and not later than five years		**96,509**	96,509
Later than five years		**5,802**	5,802
		128,060	128,060

8. Property, Plant and Equipment

	Note	March 31, 2009	September 30, 2008
Opening book value		**5,304,266**	5,982,153
Add: Additions during the period	8.1	**840,472**	530,551
Add: Transferred from non-current assets held for sale		**60,893**	-
Add: Revaluations during the period		**-**	203,623
		6,205,631	6,716,327
Less: Disposals during the period (at book value)		**228**	2,685
Depreciation charged during the period		**179,638**	357,122
Classified as held for disposal (at book value)		**-**	1,005,992
Impairment charged during the period		**-**	46,262
		179,866	1,412,061
Closing book value		**6,025,765**	5,304,266

8.1 Additions during the period

	March 31, 2009	September 30, 2008
Land	**10**	30,533
Building on freehold land	**11,771**	33,583
Plant and machinery	**712,805**	436,957
Tools and equipment	**2,517**	1,923
Laboratory equipment	**-**	687
Water, electric and weighbridge equipments	**108,069**	6,105
Furniture and fixtures	**417**	2,991
Office equipment	**1,079**	1,454
Vehicles	**3,673**	16,309
Arms and ammunition	**69**	9
Library books	**62**	-
	840,472	530,551

9. Investments - related parties

	Note	March 31, 2009	September 30, 2008
Available for sale	9.1	**878,590**	917,771
		878,590	917,771

NOTES TO AND FORMING PART OF THE FINANCIAL INFORMATION
FOR THE QUARTER AND HALF YEAR ENDED MARCH 31, 2009 (UN-AUDITED)

	Note	March 31, 2009	September 30, 2008
		(Rupees in thousand)	
9.1 Available for sale			
At cost:			
Subsidiary company		**243,757**	819,303
Associated companies	9.2	**647,325**	69,529
Others		**2,200**	2,200
		893,282	891,032
Add: Cumulative fair value (loss) / gain		**(9,492)**	31,939
Less: Cumulative impairment losses recognized		**(5,200)**	(5,200)
Fair value gain		**(14,692)**	26,739
		878,590	917,771

9.2 During the period, the status of Shakarganj Foods Products Limited (SFPL) has changed from subsidiary to associate as shareholding has reduced from 53% to 45% due to issuance of right shares not taken up by the company.

10. Short term investments

	Note	March 31, 2009	September 30, 2008
Available for sale	10.1	**248,514**	378,959
Held for trading		**16,142**	28,619
		264,656	407,578

10.1 Available for sale

	Note	March 31, 2009	September 30, 2008
At cost:			
Associated companies		**44**	44
Others		**265,541**	265,541
		265,585	265,585
Add: Cumulative fair value (loss)/gain		**(17,071)**	113,374
Less: Cumulative impairment losses recognized	9.2	**-**	-
Fair value gain		**(17,071)**	113,374
		248,514	378,959

10.2 Impairment losses

	March 31, 2009	September 30, 2008
Opening balance	**-**	35,634
Add: transferred from long term investments	**-**	-
Add: impairment loss recognized during the period	**-**	-
Less: impairment loss adjusted upon derecognition of investments	**-**	(1,443)
Less: impairment loss for non-current assets held for sale	**-**	(34,191)
Closing balance	**-**	-

11. Non-current assets held for sale and discontinued operations

The non current assets held for sale and the liabilities directly associated with non-current assets held for sale classified as held for sale under IFRS 5 'Non Current Assets Held For Sale and Discontinued Operations' in their respective categories are summarized hereunder:

	March 31, 2009	September 30, 2008
	(Rupees in thousand)	
(a) Non-current assets classified as held for sale		
Shakarganj Farms (Private) Limited	**1,062,495**	1,224,392
Investment in subsidiary and associate company at market value	**348,010**	615,102
	1,410,505	1,839,494
(b) Liabilities directly associated with non-current assets classified as held for sale		
Shakarganj Farms (Private) Limited	**33,474**	37,864

A breakup of the constituents of non current assets held for sale and discontinued operations is given as follows:

(i) Shakarganj Farms (Private) Limited

The assets and liabilities related to Shakarganj Farms (previously part of the sugar segment) have been presented as held for sale following the approval of the management of SML and shareholders in September 2008 to incorporate SML Farms as a new company namely Shakarganj Farms (Private) Limited in consideration for shares. The completion for the transaction is expected by the end of this financial year.

	March 31, 2009	September 30, 2008
	(Rupees in thousand)	
Non-current assets classified as held for sale		
Property, plant and equipment	**946,745**	1,005,992
Assets subject to finance lease	**-**	5,936
Capital work-in-progress	**309**	-
Long term advances and deposits	**-**	1,809
Stores, spares and loose tools	**4,758**	938
Biological assets	**88,310**	153,862
Loans, advances, deposits, prepayments and other receivables	**22,221**	55,819
Cash and Bank balances	**152**	36
	1,062,495	1,224,392
Liabilities directly associated with non-current assets classified as held for sale		
Long term finances	**8,750**	11,700
Current portion of long term liabilities:		
Long term finances	**9,072**	10,544
Liabilities against assets subject to finance lease	**-**	1,859
Creditors, accrued and other liabilities	**14,709**	12,884
Accrued finance cost	**943**	877
	33,474	37,864

NOTES TO AND FORMING PART OF THE FINANCIAL INFORMATION
FOR THE QUARTER AND HALF YEAR ENDED MARCH 31, 2009 (UN-AUDITED)

	Quarter ended		Half year ended	
	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
	(Rupees in thousand)			
Analysis of the result of discontinued operations				
Loss from agricultural activities	(28,344)	(40,964)	(80,447)	(45,413)
Expenses				
Administrative expenses	(2,685)	(2,508)	(5,632)	(5,746)
Finance cost	(751)	(127)	(1,730)	(128)
	(3,436)	(2,635)	(7,362)	(5,874)
Other operating income	2,876	125	2,876	125
Loss before taxation from discontinued operations	(28,904)	(43,474)	(84,933)	(51,162)
Taxation	-	-	-	-
Loss for the period from discontinued operations	(28,904)	(43,474)	(84,933)	(51,162)

	Half year ended	
	March 31, 2009	March 31, 2008
	(Rupees in thousand)	
Analysis of the cash flows of discontinued operations		
Operating cash flows	**(20,493)**	(7,279)
Investing cash flows	**1,052**	(16,596)
Financing cash flows	**19,556**	23,876
	115	1
(ii) Investment in subsidiary and associate companies - at market value		
Subsidiary company - Quoted		
Safeway Mutual Fund Limited		
29,215,143 (September 30, 2008: 29,215,143) fully paid ordinary shares of Rs 10 each with cost of Rs 290,792 thousand	**226,417**	379,797
Associated companies - Quoted		
Asian Stock Fund Limited		
37,528,673 (September 30, 2008: 37,528,673) fully paid ordinary shares of Rs 10 each with cost of Rs in 334,770 thousand	**121,593**	235,305
	348,010	615,102

The management remains committed to its plan of disposing of these investments at a price that is fair by the end of this financial year. Accordingly these investments are shown under the Non Current Assets Held For Sale under IFRS 5 'Non Current Assets Held For Sale and Discontinued Operations'.

12. Segment results

(Rupees in thousand)

	Note	Sugar				Ethanol				Building materials				Power				Textile				Engineering				Total			
		Quarter ended		Half year ended		Quarter ended		Half year ended		Quarter ended		Half year ended		Quarter ended		Half year ended		Quarter ended		Half year ended		Quarter ended		Half year ended		Quarter ended		Half year ended	
		March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
Net sales	12.1	1,450,373	1,485,119	2,062,240	2,190,944	431,541	338,877	896,570	555,567	5,123	15,208	19,508	27,548	70,935	-	118,414	-	221,390	225,034	473,343	431,183	5,381	67,635	32,327	80,112	1,924,311	1,795,420	3,225,006	2,822,579
Segment expenses																													
- Cost of sales	12.2	(1,265,067)	(1,555,069)	(1,835,599)	(2,166,314)	(416,676)	(284,378)	(661,531)	(409,321)	(6,860)	(11,146)	(19,203)	(18,563)	(26,738)	-	(42,306)	-	(233,071)	(241,589)	(541,247)	(445,560)	(7,220)	(20,884)	(28,733)	(54,232)	(1,693,362)	(1,796,553)	(2,754,817)	(2,630,284)
Gross profit/(loss)		185,306	(69,950)	226,641	24,630	14,865	54,499	235,039	146,246	(1,737)	4,062	305	8,985	44,197	-	76,108	-	(11,681)	(16,555)	(67,904)	(14,377)	(1,839)	46,751	3,594	25,880	230,949	(1,133)	470,189	192,295
- Administrative expenses		(45,636)	(41,423)	(69,351)	(69,374)	(13,169)	(8,017)	(30,151)	(17,592)	(131)	(326)	(656)	(872)	(2,248)	-	(3,982)	-	(6,981)	(5,544)	(12,771)	(13,842)	(415)	(169)	(1,016)	(210)	(68,580)	(55,479)	(117,927)	(101,890)
- Distribution and selling cost		(4,826)	(5,566)	(7,666)	(8,223)	(37,038)	(36,800)	(56,764)	(55,959)	-	(86)	(73)	(132)	(200)	-	(440)	-	(989)	(2,163)	(1,875)	(5,497)	(318)	-	(601)	-	(43,371)	(44,615)	(67,419)	(69,811)
		(50,462)	(46,989)	(77,017)	(77,597)	(50,207)	(44,817)	(86,915)	(73,551)	(131)	(412)	(729)	(1,004)	(2,448)	-	(4,422)	-	(7,970)	(7,707)	(14,646)	(19,339)	(733)	(169)	(1,617)	(210)	(111,951)	(100,094)	(185,346)	(171,701)
Segment results		134,844	(116,939)	149,624	(52,967)	(35,342)	9,682	148,124	72,695	(1,868)	3,650	(424)	7,981	41,749	-	71,686	-	(19,651)	(24,262)	(82,550)	(33,716)	(2,572)	46,582	1,977	25,670	118,998	(101,227)	284,843	20,594

12.1 Sales

Gross sales																												
- Local	1,395,691	1,407,955	1,997,172	2,095,451	36,213	40,603	77,528	59,674	6,312	18,772	23,869	33,748	63,584	-	118,602	-	219,079	182,822	467,911	334,772	-	-	-	-	1,720,879	1,650,152	2,685,082	2,523,645
- Export	-	13,931	-	13,931	400,655	304,064	830,427	504,216	-	-	-	-	-	-	-	-	-	37,399	-	85,113	-	-	-	-	400,655	355,394	830,427	603,260
- By-products	580	-	580	52	-	-	-	-	-	-	-	-	-	-	-	-	3,276	6,379	7,632	14,035	-	-	-	-	3,856	6,379	8,212	14,087
- Inter segment	238,884	268,818	328,852	382,663	-	-	-	-	-	-	-	-	16,167	-	16,217	-	-	-	-	-	5,381	67,635	32,327	80,112	-	-	-	-
	1,635,155	1,690,704	2,326,604	2,492,097	436,868	344,667	907,955	563,890	6,312	18,772	23,869	33,748	79,751	-	134,819	-	222,355	226,600	475,543	433,920	5,381	67,635	32,327	80,112	2,125,390	2,011,925	3,523,721	3,140,992
Less: Commission to selling agents	1,836	3,506	3,036	5,058	65	47	120	93	272	904	893	1,587	-	-	-	-	965	1,566	2,200	2,737	-	-	-	-	3,138	6,023	6,249	9,475
Sales tax	170,886	188,069	244,384	282,085	4,971	5,229	10,602	7,716	863	2,417	3,264	4,370	8,815	-	16,352	-	-	-	-	-	-	-	-	-	185,535	195,715	274,602	294,171
Special excise duty	12,060	14,010	16,944	14,010	291	514	663	514	54	243	204	243	1	-	53	-	-	-	-	-	-	-	-	-	12,406	14,767	17,864	14,767
	184,782	205,585	264,364	301,153	5,327	5,790	11,385	8,323	1,189	3,564	4,361	6,200	8,816	-	16,405	-	965	1,566	2,200	2,737	-	-	-	-	201,079	216,505	298,715	318,413
Net sales	1,450,373	1,485,119	2,062,240	2,190,944	431,541	338,877	896,570	555,567	5,123	15,208	19,508	27,548	70,935	-	118,414	-	221,390	225,034	473,343	431,183	5,381	67,635	32,327	80,112	1,924,311	1,795,420	3,225,006	2,822,579

12.2 Cost of sales

Inter-segment	-	-	-	-	256,148	273,228	330,475	374,224	3,118	10,456	3,142	13,804	2,715	-	4,689	-	4,682	11,945	18,376	21,446	-	-	-	-	11,613	-	11,613	-
Raw materials consumed	1,318,721	1,915,231	1,876,540	3,308,338	225,216	94,301	389,930	156,823	5,428	(3,751)	5,428	-	-	-	-	-	151,612	164,807	374,613	342,475	4,460	19,186	13,347	22,432	1,705,437	2,189,774	2,659,858	3,830,068
	1,318,721	1,915,231	1,876,540	3,308,338	481,364	367,529	720,405	531,047	8,546	6,705	8,570	13,804	2,715	-	4,689	-	156,294	176,752	392,989	363,921	4,460	19,186	13,347	22,432	1,717,050	2,189,774	2,671,471	3,830,068
Salaries, wages and other benefits	52,058	52,349	97,627	94,305	4,214	5,452	8,803	9,824	982	1,479	2,072	2,647	1,394	-	2,831	-	13,849	16,371	29,458	33,694	440	95	955	422	72,937	75,746	141,746	140,892
Stores and spares consumed	17,994	24,473	39,893	52,880	941	2,866	2,287	4,344	244	489	346	742	8,157	-	8,614	-	3,398	6,858	6,729	10,165	76	28	86	69	30,810	34,714	57,955	68,200
Dyes and chemicals	7,228	14,996	10,870	24,705	10,070	13,763	16,851	19,943	2,501	10,265	2,661	10,312	1,058	-	1,115	-	-	-	-	-	-	-	-	-	20,857	39,024	31,497	54,960
Packing material consumed	16,884	32,255	24,156	50,688	-	-	-	-	-	-	-	-	-	-	-	-	3,590	3,672	8,035	6,915	-	-	-	-	20,474	35,927	32,191	57,603
Fuel and power	44,306	5,945	125,092	27,187	-	-	-	2,568	3	-	3	13	114	-	211	-	21,532	8,862	35,493	23,479	183	363	374	363	66,138	15,170	161,173	53,610
Repair and maintenance	2,734	8,713	8,772	15,211	240	185	533	428	41	90	78	145	3,040	-	5,317	-	949	673	1,028	2,037	56	18	61	29	7,060	9,679	15,789	17,850
Insurance	1,225	1,460	2,480	2,495	306	388	620	661	7	8	14	15	196	-	305	-	273	399	1,325	917	35	-	70	-	2,042	2,255	4,814	4,088
Vehicles running expenses	1,710	1,512	3,022	2,939	-	-	-	-	6	4	15	11	-	-	-	-	-	-	-	-	42	29	78	38	1,758	1,545	3,115	2,988
Travelling and conveyance	298	238	488	453	43	103	76	203	2	14	14	26	65	-	79	-	231	253	513	489	28	28	51	69	667	636	1,221	1,240
Printing and stationery	173	327	371	708	16	26	24	41	-	1	-	6	8	-	11	-	-	-	-	-	8	2	11	4	205	356	417	759
Rent, rates and taxes	183	186	347	372	-	-	-	-	-	-	-	-	-	-	-	-	48	426	117	734	-	-	-	-	231	612	464	1,106
Sugarcane research and development	3,188	2,733	5,409	7,247	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,188	2,733	5,409	7,247
Staff training and development	407	201	407	206	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	407	201	407	206
Depreciation on fixed assets	50,079	58,189	102,151	110,999	12,627	16,173	25,252	29,760	319	182	636	364	1,425	-	10,541	-	4,849	6,468	10,496	12,398	886	1,108	1,934	2,089	70,185	82,120	151,010	155,610
Depreciation of leased assets	1,461	2,131	2,921	4,163	-	31	-	159	-	-	-	-	7,636	-	7,636	-	109	11,699	291	12,467	-	-	-	-	9,206	13,861	10,848	16,789
Other factory overheads	4,690	7,157	7,927	12,665	459	1,102	1,402	2,125	652	(211)	633	450	930	-	957	-	276	(75)	520	-	19	27	36	261	7,026	8,000	11,475	15,501
	1,523,339	2,128,096	2,308,473	3,715,561	510,280	407,618	776,253	601,103	13,303	19,026	15,042	28,535	26,738	-	42,306	-	205,398	232,358	486,994	467,216	6,233	20,884	17,003	25,776	2,030,241	2,512,353	3,301,002	4,428,717
Opening work in process	40,717	43,247	3,234	3,683	-	-	-	-	-	-	-	-	-	-	-	-	4,644	6,894	6,651	4,917	-	-	-	-	45,361	50,141	9,885	8,600
Less: Closing work in process	2,658	30,684	2,658	30,684	-	-	-	-	-	-	-	-	-	-	-	-	5,554	6,015	5,554	6,015	-	-	-	-	8,212	36,699	8,212	36,699
	38,059	12,563	576	(27,001)	-	-	-	-	-	-	-	-	-	-	-	-	(910)	879	1,097	(1,098)	-	-	-	-	37,149	13,442	1,673	(28,099)
Cost of goods produced	1,561,398	2,140,659	2,309,049	3,688,560	510,280	407,618	776,253	601,103	13,303	19,026	15,042	28,535	26,738	-	42,306	-	204,488	233,237	488,091	466,118	6,233	20,884	17,003	25,776	2,067,390	2,525,795	3,302,675	4,400,618
Opening stock of finished goods	959,730	1,807,812	782,611	871,156	98,396	176,313	77,278	107,771	1,124	6,687	11,728	4,595	-	-	-	-	41,002	49,342	65,575	20,432	1,216	-	11,959	28,456	1,101,468	2,040,154	949,151	1,032,410
Less: Closing stock of finished goods	1,256,061	2,393,402	1,256,061	2,393,402	192,000	299,553	192,000	299,553	7,567	14,567	7,567	14,567	-	-	-	-	12,419	40,990	12,419	40,990	229	-	229	-	1,468,276	2,748,512	1,468,276	2,748,512
	(296,331)	(585,590)	(473,450)	(1,522,246)	(93,604)	(123,240)	(114,722)	(191,782)	(6,443)	(7,880)	4,161	(9,972)	-	-	-	-	28,583	8,352	53,156	(20,558)	987	-	11,730	28,456	(366,808)	(708,358)	(519,125)	(1,716,102)
Less: Own goods capitalized	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,220)	(20,884)	(28,733)	(54,232)
	1,265,067	1,555,069	1,835,599	2,166,314	416,676	284,378	661,531	409,321	6,860	11,146	19,203	18,563	26,738	-	42,306	-	233,071	241,589	541,247	445,560	7,220	20,884	28,733	54,232	1,693,362	1,796,553	2,754,817	2,630,284

12.3 Inter segment sales/purchases have been eliminated from total figures.

NOTES TO AND FORMING PART OF THE FINANCIAL INFORMATION
FOR THE QUARTER AND HALF YEAR ENDED MARCH 31, 2009 (UN-AUDITED)

		Quarter ended		Half year ended	
		March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
13. Loss per share					
13.1 Basic earnings per share					
Continued operations					
Loss for the period from continuing operations	**Rupees**	(176,671,000)	(341,527,000)	(343,051,000)	(389,609,000)
Weighted average number of ordinary shares in issue during the period	**Number**	69,523,798	69,523,798	69,523,798	69,523,798
Loss per share - basic	**Rupees**	(2.54)	(4.91)	(4.93)	(5.60)
Discontinued operations					
Loss for the period from discontinued operations	**Rupees**	(28,904,000)	(43,474,000)	(84,933,000)	(51,162,000)
Weighted average number of ordinary shares in issue during the period	**Number**	69,523,798	69,523,798	69,523,798	69,523,798
Loss per share - basic	**Rupees**	(0.42)	(0.63)	(1.22)	(0.74)

13.2 Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The company has a commitment to convert 1,000 preference shares into 167 ordinary shares of Rs 10 each. For the purposes of computing the diluted EPS the convertible preference shares are assumed to have been converted into ordinary shares, and the loss is adjusted to eliminate the preference dividend.

		Quarter ended		Half year ended	
		March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
Continued operations					
Loss for the period from continuing operations	**Rupees**	(176,671,000)	(341,527,000)	(343,051,000)	(389,609,000)
Preference dividend on convertible preference shares	**Rupees**	7,327,175	7,327,175	14,654,351	14,654,351
Loss used to determine diluted earnings per shares	**Rupees**	(169,343,825)	(334,199,825)	(328,396,649)	(374,954,649)
Weighted average number of ordinary shares in issue during the period	**Number**	69,523,798	69,523,798	69,523,798	69,523,798
Assumed conversion of convertible preference shares into ordinary shares	**Number**	5,774,108	5,774,108	5,774,108	5,774,108
Weighted average number of ordinary shares for diluted earnings per share	**Number**	75,297,906	75,297,906	75,297,906	75,297,906
Loss per share - diluted	**Rupees**	(2.25)	(4.44)	(4.36)	(4.98)

The effect of the conversion of the convertible preference shares into ordinary shares is anti-dilutive for the current period, accordingly the diluted EPS is restricted to the basic EPS.

Discontinued operations

The effect of the conversion of the convertible preference shares into ordinary shares is anti-dilutive for the current and prior period, accordingly the diluted EPS is restricted to the basic EPS.

NOTES TO AND FORMING PART OF THE FINANCIAL INFORMATION
FOR THE QUARTER AND HALF YEAR ENDED MARCH 31, 2009 (UN-AUDITED)

	Half year ended	
	March 31, 2009	March 31, 2008
	(Rupees in thousand)	
14. Cash generated from operating activities		
Losss before taxation	**(419,680)**	(426,071)
Adjustments for:		
Depreciation in / amortization on:		
- property, plant and equipment	**179,637**	174,144
- assets subject to finance lease	**19,288**	22,543
- intangible assets	**188**	170
- deferred income	**(1,848)**	(1,231)
Profit on sale of property, plant and equipment	**(935)**	(525)
Profit on sale of biological assets	**(23)**	-
Impairment of investments classified as available for sale	**-**	2,792
Gain on sale of investments	**-**	(5,116)
Unrealized loss on investments held for trading	**12,477**	-
Interest from bank deposits	**(3,979)**	-
Provision for employees' retirement benefits	**6,761**	5,201
Mark up earned on long term loan to an associate	**(15,979)**	-
Liabilities written back	**(15,574)**	-
Dividend income	**(11,511)**	(5,465)
Loss from agricultural activities classified under discontinued operations	**64,970**	38,338
Loss on marked to market valuation of interest rate swap	**(6,921)**	-
Finance cost	**653,593**	380,209
	880,144	611,060
Profit before working capital changes	**460,464**	184,989
Effect on cash flow due to working capital changes:		
Increase in stores and spares	**(5,890)**	(29,764)
Increase in stock in trade	**(550,505)**	(2,080,264)
Increase in trade debts	**(59,389)**	(81,801)
Increasein biological assets	**(40)**	(1,191)
Decrease / (increase) in loans, advances, deposits, prepayments and other receivables	**18,441**	(127,670)
Increase in trade and other payables	**663,810**	1,577,159
	66,427	(743,531)
	526,891	(558,542)

NOTES TO AND FORMING PART OF THE FINANCIAL INFORMATION
FOR THE QUARTER AND HALF YEAR ENDED MARCH 31, 2009 (UN-AUDITED)

15. Transactions with related parties

Relationship with the company	Nature of transactions	Half year ended **March 31, 2009** (Rupees in thousand)	Half year ended March 31, 2008 (Rupees in thousand)
i. Subsidiary	Subscription to right issue made by subsidiary company	-	575,446
	Interest bearing advances extended to subsidiary company	-	178,171
	Mark up charged to subsidiary company	-	9,809
	Allocation of expenses from subsidiary company	-	177
	Dividend received	7,304	-
ii. Associated undertakings	Mark up charged to associated company	15,386	-
	Dividend received	3,753	2,564
	Purchase of goods and services	52,169	77,323
	Sale of goods	2,324	3,483
	Interest bearing advances extended to associated company	1,000	-
	Share of common expenses	3,150	-
iii. Other related parties	Expenses incurred on behalf of the company	-	2,524
iv. Post employment benefit plans	Expense charged in respect of retirement benefit plans	8,250	5,201
v. Key Management Personnel	Salaries and other employee benefits	19,190	17,355

	March 31, 2009 (Rupees in thousand)	September 30, 2008 (Rupees in thousand)
Period-end balances		
Receivable from related parties	214,882	198,105
Payable to related parties	3,087	136

16. Date of authorisation for issue

This condensed interim financial information was authorised for issue on May 29, 2009 by the Board of Directors of the company.

17. Corresponding figures

Previous period's figures have been rearranged, wherever necessary, for the purposes of comparison. However, no significant re-arrangements have been made.

Chief Executive

Chairman

CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2009

CONSOLIDATED INTERIM BALANCE SHEET
AS AT MARCH 31, 2009 (UN-AUDITED)

	Note	March 31, 2009	September 30, 2008
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
80,000,000 (September 30, 2008: 80,000,000) ordinary shares of Rs 10 each		**800,000**	800,000
50,000,000 (September 30, 2008: 50,000,000) preference shares of Rs 10 each		**500,000**	500,000
		1,300,000	1,300,000
Issued, subscribed and paid up capital			
69,523,798 (September 30, 2008: 69,523,798) ordinary shares of Rs 10 each		**695,238**	695,238
Share deposit money		**-**	200,000
Reserves		**619,123**	910,696
Accumulated (loss)/profit		**(866,115)**	(385,935)
		448,246	1,419,999
Minority Interest		**213,067**	418,840
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		**2,043,816**	2,043,827
NON-CURRENT LIABILITIES			
Long term finances	7	**1,774,853**	2,264,785
Long term advances		**15,000**	15,000
Liabilities against assets subject to finance lease		**218,524**	292,383
Employees' retirement benefits		**14,017**	19,837
Deferred Tax		**8,500**	8,500
Deferred income		**6,951**	8,799
		2,037,845	2,609,304
CURRENT LIABILITIES			
Current portion of long term liabilities		**745,474**	1,160,271
Short term borrowings - secured		**4,860,320**	4,110,840
Trade and other payables		**1,510,350**	1,207,177
Accrued finance cost		**410,483**	336,464
		7,526,627	6,814,752
Liabilities directly associated with non current assets classified as held-for-sale	12	**1,991**	3,556
		7,528,618	6,818,308
CONTINGENCIES AND COMMITMENTS	8		
		12,271,591	13,310,278

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

CONSOLIDATED INTERIM BALANCE SHEET
AS AT MARCH 31, 2009 (UN-AUDITED)

	Note	March 31, 2009	September 30, 2008
		(Rupees in thousand)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	9	**6,972,535**	7,281,263
Intangible assets		**163,854**	173,497
Assets subject to finance lease		**559,845**	350,361
Capital work-in-progress		**513,163**	1,302,030
Biological assets		**10,007**	8,318
Investments - related parties	10	**367,405**	229,612
Long term loans, advances, deposits and prepayments		**271,766**	125,350
		8,858,575	9,470,431
CURRENT ASSETS			
Biological assets		**85,132**	151,792
Stores, spares and loose tools		**107,521**	153,304
Stock-in-trade		**1,822,303**	1,356,107
Trade debts		**179,647**	159,009
Investments	11	**269,949**	442,315
Loans, advances, deposits, prepayments and other receivables		**240,126**	318,946
Cash and bank balances		**97,546**	401,253
		2,802,224	2,982,726
Non-current assets held for sale	12	**610,792**	857,121
		3,413,016	3,839,847
		12,271,591	13,310,278

Chief Executive

Chairman

Shakarganj Mills Limited

CONSOLIDATED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE QUARTER AND HALF YEAR ENDED MARCH 31, 2009 (UN-AUDITED)

	Note	Quarter ended March 31, 2009	Quarter ended March 31, 2008	Half year ended March 31, 2009	Half year ended March 31, 2008
		(Rupees in thousand)			
Continuing Operations:					
Sales	13	**1,930,608**	2,076,716	**3,237,692**	3,385,761
Cost of sales	14	**(1,693,362)**	(2,072,161)	**(2,754,817)**	(3,179,431)
Gross profit		**237,246**	4,555	**482,875**	206,330
Administrative expenses		**(72,705)**	(63,067)	**(136,240)**	(116,806)
Distribution and selling costs		**(43,371)**	(99,326)	**(67,419)**	(188,727)
Other operating expenses		**(72,672)**	(114,319)	**(149,302)**	(126,181)
Other operating income		**55,177**	16,003	**136,857**	70,287
Profit from operations		**103,674**	(256,154)	**266,770**	(155,097)
Finance cost		**(315,637)**	(215,732)	**(653,596)**	(407,405)
Share of income (loss) from associate		**(21,381)**	(13,735)	**(48,546)**	2,761
(Loss)/profit before taxation		**(233,343)**	(485,621)	**(435,371)**	(559,741)
Taxation		**(7,973)**	(10,072)	**(9,279)**	(17,672)
(Loss)/profit for the year from continuing operations		**(241,316)**	(495,693)	**(444,650)**	(577,413)
Discontinued operations:					
Gain / (Loss) for the year from discontinued operations		**71,304**	-	**(64,255)**	-
(Loss)/profit for the year		**(170,012)**	(495,693)	**(508,905)**	(577,413)
Attributable to:					
- Equity holders of the parent		**(192,187)**	(487,461)	**(480,191)**	(568,518)
- Minority interest		**22,175**	(8,232)	**(28,714)**	(8,895)
		(170,012)	(495,693)	**(508,905)**	(577,413)
(Loss)/earnings per share from continuing operations					
- basic	Rupees	**(3.47)**	(7.01)	**(6.39)**	(8.18)
- diluted	Rupees	**(3.47)**	(7.01)	**(6.39)**	(8.18)
Loss per share from discontinued operations					
- basic	Rupees	**1.03**	-	**(0.92)**	-
- diluted	Rupees	**1.03**	-	**(0.92)**	-

The annexed notes 1 to 19 form an integral part of these financial statements.

Chief Executive

Chairman

CONSOLIDATED INTERIM CASH FLOW STATEMENT
FOR THE QUARTER AND HALF YEAR ENDED MARCH 31, 2009 (UN-AUDITED)

Shakarganj Mills Limited

	Note	Half year ended March 31, 2009	Half year ended March 31, 2008
		(Rupees in thousand)	
Cash flows from operating activities			
Cash (used in) / generated from operations	15	**447,201**	(569,148)
Finance cost paid		**(580,742)**	(381,364)
Taxes paid		**(14,173)**	(12,306)
Retirement benefits paid		**(3,773)**	(2,527)
Net (increase) / decrease in long term advances, loans, deposits and prepayments		**30,146**	4,055
Net cash (used in) / generated from operating activities		**(121,341)**	(961,290)
Cash flows from investing activities			
Fixed capital expenditure		**(292,338)**	(541,976)
Investment made		**(15,837)**	(148,563)
Acquisition of subsidiries - net of cash acquired		**-**	(215,635)
Proceeds from sale of investments		**-**	180,474
Dividend received		**23,399**	6,084
Interest income received on bank deposits		**3,979**	
proceed from sale of livestock		**174**	
Sale proceeds from sale of property, plant and equipment		**1,931**	1,867
Net cash (used in) / generated from investing activities		**(278,692)**	(717,749)
Cash flows from financing activities			
Proceeds from long term finances		**-**	403,000
Share deposit money received		**-**	100,000
Repayment of long term finances		**(181,463)**	(276,039)
Net increase / (decrease) in short term borrowings - secured		**350,660**	1,352,703
Finance lease liabilities - net		**(72,871)**	(62,699)
Dividend paid		**-**	(57,936)
Net cash generated from / (used in) financing activities		**96,326**	1,459,029
Net (decrease) / increase in cash and cash equivalents		**(303,707)**	(220,010)
Cash and cash equivalents at the beginning of the period		**401,253**	510,104
Cash and cash equivalents at the end of the period		**97,546**	290,094

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

Chief Executive

Chairman

Shakarganj Mills Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER AND HALF YEAR ENDED MARCH 31, 2009 (UN-AUDITED)

(Rupees in thousand)

	Attributable to equity holders of the parent																
			Capital Reserves						Revenue Reserves								
	Share capital	Share deposit money	Reserve for issuance of bonus share	Share premium	Share in capital reserves of associates	Fair value reserve	Difference of capital under scheme of arrangement of merger	Sub-total	General	Dividend equalization	Equity investment market value equalization	Sub-total	Total	Un-appropriated profit	Total	Minority Interest	Total Equity
Balance as on September 30, 2007	579,365	60,000	-	243,282	108,159	(122,006)	155,930	385,365	526,479	22,700	83,000	632,179	1,017,544	730,900	2,387,809	-	2,387,809
Final dividend for the year ended September 2007	-	-	-	-	-	-	-	-	-	-	-	-	-	(57,936)	(57,936)	-	(57,936)
Reserve for issuance of bonus shares	-	-	115,873	-	-	-	-	115,873	(115,873)	-	-	(115,873)	-	-	-	-	-
Bonus share issued during period	115,873		(115,873)	-	-	-	-	(115,873)	-	-	-	-	(115,873)	-	-	-	-
Issuance of share against share deposit money	-	(60,000)	-	-	-	-	-	-	-	-	-	-	-	-	(60,000)	21,676	(38,324)
Minority interest at date of acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	39,047	39,047
Share deposit money received during the period	-	100,000	-	-	-	-	-	-	-	-	-	-	-	-	100,000	-	100,000
Share in capital reserve of associate	-	-	-	-	(3,332)	-	-	(3,332)	-	-	-	-	(3,332)	-	(3,332)	-	(3,332)
Fair value gain during the period	-	-	-	-	-	167,970	-	167,970	-	-	-	-	167,970	-	167,970	-	167,970
Transfer from surplus on revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	11	11	-	11
Loss for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	(568,518)	(568,518)	(8,895)	(577,413)
Balance as on December 31, 2007	695,238	100,000	-	243,282	104,827	45,964	155,930	550,003	410,606	22,700	83,000	516,306	1,066,309	104,457	1,966,004	51,828	2,017,832
Balance as on September 30, 2008	-	200,000	-	243,282	97,132	(101,954)	155,930	394,390	410,606	22,700	83,000	516,306	910,696	(385,935)	1,419,999	418,840	1,838,839
Disposal of subsidiary - Shakarganj food product limited	-	(200,000)	-	-	-	-	-	-	-	-	-	-	-	-	(200,000)	(141,233)	(341,233)
Transfer from surplus on revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-		11	11	-	11
Merger of subsidiaries - ACML & SFL	-	-	-	-	-	-	-	-	-	-	-	-		-	-	(13,486)	(13,486)
Dividend for the period by subsidiary company Safeway Mutual Fund	-	-	-	-	-	-	-	-	-	-	-	-		-	-	(5,431)	(5,431)
Fair value loss during period	-	-	-	-	-	(279,540)	-	(279,540)	-	-	-	-	(279,540)	-	(279,540)	(16,909)	(296,449)
Share in capital reserve of associate	-	-	-	-	(12,033)	-	-	(12,033)	-	-	-	-	(12,033)	-	(12,033)	-	(12,033)
Loss for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	(480,191)	(480,191)	(28,714)	(508,905)
Balance as on March 31, 2009	-	-	-	243,282	85,099	(381,494)	155,930	102,817	410,606	22,700	83,000	516,306	619,123	(866,115)	448,246	213,067	661,313

The annexed notes 1 to 19 form an integral part of these financial statements.

Chief Executive

Chairman

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND HALF YEAR ENDED MARCH 31, 2009 (UN-AUDITED)

1. Legal status and nature of business

1.1 Constitution and ownership

The consolidated financial statements of the Shakarganj Group (the group) comprise of the financial statements of:

Shakarganj Mills Limited

Shakarganj Mills Limited (SML) (the "parent company") was incorporated in Pakistan in September 1967 under the repealed Companies Act 1913, substituted later by the Companies Ordinance, 1984 and listed on Karachi, Lahore and Islamabad Stock Exchanges. The registered office of the company is situated in The Bank of Punjab Tower, Gulberg III, Lahore.

Safeway Mutual Fund Limited

Safeway Mutual Fund Limited (SWML) (a subsidiary) is a public limited company incorporated in May 1994 under the Companies Ordinance, 1984 and has been registered with Securities and Exchange Commission of Pakistan (SECP) as an Investment Company under the Investment Companies and Investment Advisors Rules, 1971 to carry on the business of a closed end investment company. The company is listed on the Karachi and Islamabad Stock Exchanges. The company has entered into an agreement with Safeway Fund Limited to act as its Assets Management Company. The company became a subsidiary of Shakarganj Mills Limited (the "parent company") on July 20, 2007. The registered office of the company is situated in Karachi.

Safeway Fund Limited

Safeway Fund Limited (SFL) (a subsidiary) was incorporated in February 1992 as a private limited company under the Companies Ordinance, 1984 and was registered as an Investment Adviser under the Investment Companies and Investment Advisor Rules, 1971 which were repealed with effect from April 01, 2003 with the promulgation of NBFC (Establishment and Regulation) Rules, 2003. The company was converted into an unquoted public limited company in 1994. The company became a subsidiary of Shakarganj Mills Limited (the "parent company") on March 19, 2008. The registered office of the company is situated in Karachi.

1.2 Activities of the group

Shakarganj Mills Limited (the parent company) and its subsidiaries, Safeway Mutual Fund Limited and Safeway Fund Limited (together, 'the group') are engaged in the following business:

- manufacture, purchase and sale of sugar, ethanol, building material, yarn, industrial scale steel equipment and engaged in generation and sale of electricity through the parent company, Shakarganj Mills Limited;

- investments in the shares of listed companies, through the subsidiary company, Safeway Mutual Fund Limited; and

- rendering investment advisory services for mutual funds, through the subsidiary companies Safeway Fund Limited.

The group has its principal manufacturing facilities at Jhang, Bhone and Dargai Shah. The group's investment advisory companies and the mutual fund operations are based in Karachi.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND HALF YEAR ENDED MARCH 31, 2009 (UN-AUDITED)

1.3 Change in the group composition

- Shakarganj Food Products Limited (SFPL) being the subsidiary of Shakarganj Mills Limited was consolidated on September 30, 2008. Subsequent to the year end SFPL issued shares under the consortium of investors comprising KASB Capital Limited (KASB) and AKD Securities Limited (AKD), through an agreement dated April 12, 2008 with the company, Crescent Steel and Allied Products Limited (CSAPL) and Shakarganj Foods Product Limited (SFPL). Consequent to this, the company's shareholding in SFPL has reduced from 53% to 45%. In these interim financial statements SFPL has been treated as an associated undertaking as per International Financial Reporting Standard (IAS) 28 'Investment in Associates.

- Asian Capital Management Limited (ACML) being the subsidiary of Shakarganj Mills Limited was consolidated on September 30, 2008. Subsequent to the year end ACML was merged with Safeway Fund LImited (another subsidiary of Shakarganj Mills Limited) effective December 31, 2008 under a scheme of arrangement approved by Securities and Exchange Commission of Pakistan on December 22, 2008. There was no change in shareholding of SFL consequent to this merger which remains 75%. In these interim financial statements SFL has been consolidated accordingly.

2. Basis of preparation

This condensed interim financial information is un-audited and is being submitted to the members as required by section 245 of the Companies Ordinance, 1984. The condensed interim financial information has been prepared in accordance with the requirements of the International Financial Reporting Standard (IFRS) IAS 34 'Interim Financial Reporting' as applicable in Pakistan as notified by the Securities and Exchange Commission of Pakistan. This condensed interim financial information do not include all of the information required for full financial statements and should be read in conjunction with the financial statements of the Company for the year ended September 30, 2008.

The comparative balance sheet presented in these financial statements has been extracted from the audited financial statements of the Company for the year ended September 30, 2008 whereas the comparative profit and loss account, statement of changes in equity and cash flow statement are stated from the unaudited consolidated interim financial statements for the quarter and half year ended March 31, 2008.

This condensed interim financial information has been presented in Pakistan Rupees, which is the functional currency of the Company and the figures are rounded off to the nearest thousand of rupees.

3. Significant accounting policies

The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the company for the year ended September 30, 2008.

4. Estimates

Judgments and estimates made by the management in the preparation of the condensed quarterly financial statements are the same as those applied in the preparation of the preceding annual published financial statements of the company for the year ended September 30, 2008.

5. Risk management policies

Risk management policies are consistent with those disclosed in the financial statements for the year ended September 30, 2008.

6. Taxation

The provision for taxation for the half year ended March 31, 2009 has been made on an estimated basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND HALF YEAR ENDED MARCH 31, 2009 (UN-AUDITED)

		March 31, 2009	March 31, 2008
		(Rupees in thousand)	
7. Long term finances			
Opening balance		**3,263,648**	2,639,051
Add: Disbursements during the period		**-**	1,433,000
		3,263,648	4,072,051
Less: Repayments during the period		**(185,885)**	(597,335)
Transferred to short term borrowings		**(398,820)**	(211,068)
Disposal of subsidiary SFPL		**(310,651)**	-
Classified as held for sale		**-**	-
		2,368,292	3,263,648
Less: Current portion shown under current liabilities		**(593,439)**	(998,863)
		1,774,853	2,264,785

8. Contingencies and commitments

8.1 Contingencies

The company has issued following guarantees:

(i) Bank guarantee of Rs 86.50 million (September 2008: Rs 86.50 million) in favor of Sui Northern Gas Pipelines Limited against performance of contracts.

(ii) Cross corporate guarantee in favour of Allied Bank Limited to secure long term finance facility availed by the company's associated undertaking, Shakarganj Food Products Limited of Rs 467 million (September 2008: 467 million).

(iii) The company has issued a post dated cheque in favour of the Collector of Customs against custom duty clearance in respect of import of plant and machinery amounting to Rs 5.040 million (September 2008: Rs 7.680 million).

8.2 Commitments

The company has the following commitments in respect of:

(i) Letters of credit other than capital expenditure Rs 120.742 million (September 2008: Rs 56.721 million).

(ii) Contracts for capital expenditure amounting to Rs 87.36 million (September 2008: Rs 273.202 million).

(iii) Contracts for acquisition of intangible assets (computer software) amounting to Rs 20 million (September 2008: Rs 20 million).

9. Property, plant and equipment

		March 31, 2009	March 31, 2008
Opening book value		**7,281,263**	6,793,062
Add: Additions during the period	9.1	**841,640**	761,763
Add: Revaluations during the period		**-**	203,623
		8,122,903	7,758,448
Less: Disposals during the period (at book value)		**2,302**	26,121
Depreciation charged during the period		**180,449**	404,802
Disposal of subsidiary		**967,617**	-
Impairment charged during the period		**-**	46,262
		1,150,368	477,185
Closing book value		**6,972,535**	7,281,263

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND HALF YEAR ENDED MARCH 31, 2009 (UN-AUDITED)

	Note	March 31, 2009	March 31, 2008
		(Rupees in thousand)	
9.1 Addition during the period			
Land		**10**	30,553
Building on freehold land		**11,771**	48,155
Plant and machinery		**712,805**	645,575
Tools and equipment		**2,517**	1,923
Laboratory equipment		**-**	791
Water, electric and weighbridge equipments		**108,069**	6,198
Furniture and fixtures		**417**	5,122
Office equipment		**2,247**	2,693
Vehicles		**3,673**	20,739
Arms and ammunition		**69**	9
Library books		**62**	5
		841,640	761,763

	Note	March 31, 2009	March 31, 2008
10. Investments - related parties			
In equity instrument of associated companies	10.1	**320,387**	156,838
Available for sale	10.2	**47,018**	71,397
Held to maturity	10.3	**-**	1,377
		367,405	229,612

	March 31, 2009	March 31, 2008
10.1 In equity instruments of associated undertaking		
Cost	**631,075**	55,529
Brought forward amounts of post acquisition reserves and profits and negative goodwill recognized directly in profit and loss account	**(250,109)**	121,703
	380,966	177,232
Share of movement in reserve during period	**(12,033)**	(11,027)
Share of profit / (loss) for the period		
- before taxation	**(48,546)**	8,669
- provision for taxation	**-**	(10,345)
	(48,546)	(1,676)
	320,387	164,529
Dividend received during the period	**-**	(7,691)
	320,387	156,838

	March 31, 2009	March 31, 2008
10.2 Available for sale		
Associated Companies - at cost	**106,250**	104,000
Others - at cost	**2,200**	2,200
	108,450	106,200
Add / (Less): Cumulative fair value loss / gain	**(59,232)**	(32,603)
Less: Cumulative impairment losses recognized	**(2,200)**	(2,200)
Fair value gain	**(61,432)**	(34,803)
	47,018	71,397

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND HALF YEAR ENDED MARCH 31, 2009 (UN-AUDITED)

	Note	March 31, 2009	March 31, 2008
		(Rupees in thousand)	
10.3 Held to maturity			
Certificates of investments		-	2,586
Less: Current portion shown under short term investment		-	(1,209)
		-	1,377
11. Investments			
Available for sale	11.1	**248,514**	378,959
Held for trading		**21,435**	35,420
Held to maturity		-	27,936
		269,949	442,315
11.1 Available for sale			
Related parties - at cost		**44**	44
Others - at cost		**265,541**	265,541
		265,585	265,585
Add: Cumulative fair value (loss) / gain		**(17,071)**	113,374
Less: Cumulative Impairment Loss		-	-
		(17,071)	113,374
		248,514	378,959

12. Non Current Assets Held For Sale and Discontinued Operations

The non current assets held for sale and the liabilities directly associated with non-current assets classified as held for sale under IFRS 5 'Non Current Assets Held For Sale and Discontinued Operations' in their respective categories are summarized hereunder:

(a) Non-current assets classified as held for sale

	March 31, 2009	March 31, 2008
Subsidiary company acquired with a view to resale and classified as held for sale	**489,199**	621,816
Investment in associates at market value	**121,593**	235,305
	610,792	857,121

(b) Liabilities directly associated with non-current assets classified as held for sale

	March 31, 2009	March 31, 2008
Subsidiary company acquired with a view to resale and classified as held for sale	**1,991**	3,556

Shakarganj Mills Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND HALF YEAR ENDED MARCH 31, 2009 (UN-AUDITED)

SEGMENT RESULTS

(Rupees in thousand)

13. SALES

	Sugar				Ethanol			
	Quarter Ended		Half year ended		Quarter Ended		Half year ended	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008
Gross Sales								
Local	1,395,691	1,407,955	1,997,172	2,095,451	36,213	40,603	77,528	59,674
By-product	580	-	580	52				
Export		13,931	-	13,931	400,655	304,064	830,427	504,216
Investment Advisory fee								
Inter-segment	238,884	268,818	328,852	382,663				
	1,635,155	1,690,704	2,326,604	2,492,097	436,868	344,667	907,955	563,890
Less: Commission to selling agents	1,836	3,506	3,036	5,058	65	47	120	93
Discount and sales return								
Sales Tax	170,886	188,069	244,384	282,085	4,971	5,229	10,602	7,716
Special excise duty	12,060	14,010	16,944	14,010	291	514	663	514
	184,782	205,585	264,364	301,153	5,327	5,790	11,385	8,323
Net Sales	1,450,373	1,485,119	2,062,240	2,190,944	431,541	338,877	896,570	555,567

	Building Material				Power			
	Quarter Ended		Half year ended		Quarter Ended		Half year ended	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008
Gross Sales								
Local	6,312	18,772	23,869	33,748	63,584	-	118,602	
By-product								
Export								
Investment Advisory fee								
Inter-segment					16,167	-	16,217	
	6,312	18,772	23,869	33,748	79,751	-	134,819	
Less: Commission to selling agents	272	904	893	1,587	-	-		
Discount and sales return								
Sales Tax	863	2,417	3,264	4,370	8,815		16,352	
Special excise duty	54	243	204	243	1	-	53	
	1,189	3,564	4,361	6,200	8,816	-	16,405	-
Net Sales	5,123	15,208	19,508	27,548	70,935	-	118,414	-

	Textile				Engineering			
	Quarter Ended		Half year ended		Quarter Ended		Half year ended	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008
Gross Sales								
Local	219,079	182,822	467,911	334,772				
By-product	3,276	6,379	7,632	14,035				
Export	-	37,399		85,113				
Investment Advisory fee								
Inter-segment					5,381	67,635	32,327	80,112
	222,355	226,600	475,543	433,920	5,381	67,635	32,327	80,112
Less: Commission to selling agents	965	1,566	2,200	2,737				
Discount and sales return								
Sales Tax								
Special excise duty								
	965	1,566	2,200	2,737	-	-	-	-
Net Sales	221,390	225,034	473,343	431,183	5,381	67,635	32,327	80,112

	Dairy and fruit products				Investment advisories			
	Quarter Ended		Half year ended		Quarter Ended		Half year ended	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008
Gross Sales								
Local	-	296,079		585,054				
By-product								
Export	-	11,899		28,861				
Investment Advisory fee					6,297	1,200	12,686	1,200
Inter-segment					-			
	-	307,978	-	613,915	6,297	1,200	12,686	1,200
Less: Commission to selling agents					-			
Discount and sales return		27,882		51,933				
Sales Tax								
Special excise duty					-			
	-	27,882	-	51,933	-	-	-	-
Net Sales	-	280,096	-	561,982	6,297	1,200	12,686	1,200

	Total			
	Quarter Ended		Half year ended	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008
Gross Sales				
Local	1,720,879	1,946,231	2,685,082	3,108,699
By-product	3,856	6,379	8,212	14,087
Export	400,655	367,293	830,427	632,121
Investment Advisory fee	6,297	1,200	12,686	1,200
Inter-segment	-	-	-	-
	2,131,687	2,321,103	3,536,407	3,756,107
Less: Commission to selling agents	3,138	6,023	6,249	9,475
Discount and sales return	-	27,882	-	51,933
Sales Tax	185,535	195,715	274,602	294,171
Special excise duty	12,406	14,767	17,864	14,767
	201,079	244,387	298,715	370,346
Net Sales	1,930,608	2,076,716	3,237,692	3,385,761

13.1 Inter-segment sales have been eliminated from total figures.

14. COST OF SALES

	Sugar				Ethanol			
	Quarter Ended		Half year ended		Quarter Ended		Half year ended	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008
Purchases								
Inter-segment	-	-			256,148	273,228	330,475	374,224
Raw Material Cost	1,318,721	1,915,231	1,876,540	3,308,338	225,216	94,301	389,930	156,823
	1,318,721	1,915,231	1,876,540	3,308,338	481,364	367,529	720,405	531,047
Salaries, wages and other benefits	52,058	52,349	97,627	94,305	4,214	5,452	8,803	9,824
Stores, spare parts and loose tools	17,994	24,473	39,893	52,880	941	2,866	2,287	4,344
Dyes and chemicals	7,228	14,996	10,870	24,705	10,070	13,763	16,851	19,943
Packing material	16,884	32,255	24,156	50,688				
Processing charges								
Fuel and Power	44,306	5,945	125,092	27,187	-	-		2,568
Repair and maintenance	2,734	8,713	8,772	15,211	240	185	533	428
Insurance	1,225	1,460	2,480	2,495	306	388	620	661
Vehicles' operating & maintenance	1,710	1,512	3,022	2,939				
Traveling and conveyance	298	238	488	453	43	103	76	203
Printing and stationery	173	327	371	708	16	26	24	41
Rent, rates and taxes	183	186	347	372				
Sugarcane research and development	3,188	2,733	5,409	7,247				
Training & support for education development	407	201	407	206				
Depreciation on Lease assets	1,461	2,131	2,921	4,163	-	31		159
Depreciation on Fixed assets	50,079	58,189	102,151	110,999	12,627	16,173	25,252	29,760
Other factory overheads	4,690	7,157	7,927	12,665	459	1,102	1,402	2,125
	1,523,339	2,128,096	2,308,473	3,715,561	510,280	407,618	776,253	601,103
Work in process inventory								
As at 01 October	40,717	43,247	3,234	3,683				
As at 31 December	2,658	30,684	2,658	30,684				
	38,059	12,563	576	(27,001)	-	-	-	-
	1,561,398	2,140,659	2,309,049	3,688,560	510,280	407,618	776,253	601,103
Finished goods inventory								
As at 01 October	959,730	1,807,812	782,611	871,156	98,396	176,313	77,278	107,771
As at 31 December	1,256,061	2,393,402	1,256,061	2,393,402	192,000	299,553	192,000	299,553
	(296,331)	(585,590)	(473,450)	(1,522,246)	(93,604)	(123,240)	(114,722)	(191,782)
	1,265,067	1,555,069	1,835,599	2,166,314	416,676	284,378	661,531	409,321
Own work capitalized								
	1,265,067	1,555,069	1,835,599	2,166,314	416,676	284,378	661,531	409,321

	Building Material				Power			
	Quarter Ended		Half year ended		Quarter Ended		Half year ended	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008
Purchases								
Inter-segment	3,118	10,456	3,142	13,804	2,715	-	4,689	
Raw Material Cost	5,428	(3,751)	5,428		-	-		
	8,546	6,705	8,570	13,804	2,715	-	4,689	-
Salaries, wages and other benefits	982	1,479	2,072	2,647	1,394	-	2,831	
Stores, spare parts and loose tools	244	489	346	742	8,157	-	8,614	
Dyes and chemicals	2,501	10,265	2,661	10,312	1,058	-	1,115	
Packing material								
Processing charges								
Fuel and Power	3	-	3	13	114	-	211	
Repair and maintenance	41	90	78	145	3,040	-	5,317	
Insurance	7	8	14	15	196	-	305	
Vehicles' operating & maintenance	6	4	15	11				
Traveling and conveyance	2	14	14	26	65	-	79	
Printing and stationery	-	1		6	8	-	11	
Rent, rates and taxes								
Sugarcane research and development								
Training & support for education development								
Depreciation on Lease assets					7,636		7,636	
Depreciation on Fixed assets	319	182	636	364	1,425	-	10,541	
Other factory overheads	652	(211)	633	450	930	-	957	
	13,303	19,026	15,042	28,535	26,738	-	42,306	-
Work in process inventory								
As at 01 October								
As at 31 December								
	-	-	-	-	-	-	-	-
	13,303	19,026	15,042	28,535	26,738	-	42,306	-
Finished goods inventory								
As at 01 October	1,124	6,687	11,728	4,595				
As at 31 December	7,567	14,567	7,567	14,567				
	(6,443)	(7,880)	4,161	(9,972)	-	-	-	-
	6,860	11,146	19,203	18,563	26,738	-	42,306	-
Own work capitalized								
	6,860	11,146	19,203	18,563	26,738	-	42,306	-

	Textile				Engineering			
	Quarter Ended		Half year ended		Quarter Ended		Half year ended	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008
Purchases								
Inter-segment	4,682	11,945	18,376	21,446	-	-		
Raw Material Cost	151,612	164,807	374,613	342,475	4,460	19,186	13,347	22,432
	156,294	176,752	392,989	363,921	4,460	19,186	13,347	22,432
Salaries, wages and other benefits	13,849	16,371	29,458	33,694	440	95	955	422
Stores, spare parts and loose tools	3,398	6,858	6,729	10,165	76	28	86	69
Dyes and chemicals								
Packing material	3,590	3,672	8,035	6,915				
Processing charges								
Fuel and Power	21,532	8,862	35,493	23,479	183	363	374	363
Repair and maintenance	949	673	1,028	2,037	56	18	61	29
Insurance	273	399	1,325	917	35	-	70	
Vehicles' operating & maintenance					42	29	78	38
Traveling and conveyance	231	253	513	489	28	28	51	69
Printing and stationery					8	2	11	4
Rent, rates and taxes	48	426	117	734				
Sugarcane research and development								
Training & support for education development								
Depreciation on Lease assets	109	11,699	291	12,467				
Depreciation on Fixed assets	4,849	6,468	10,496	12,398	886	1,108	1,934	2,089
Other factory overheads	276	(75)	520	-	19	27	36	261
	205,398	232,358	486,994	467,216	6,233	20,884	17,003	25,776
Work in process inventory								
As at 01 October	4,644	6,894	6,651	4,917				
As at 31 December	5,554	6,015	5,554	6,015				
	(910)	879	1,097	(1,098)	-	-	-	-
	204,488	233,237	488,091	466,118	6,233	20,884	17,003	25,776
Finished goods inventory								
As at 01 October	41,002	49,342	65,575	20,432	1,216	-	11,959	28,456
As at 31 December	12,419	40,990	12,419	40,990	229	-	229	
	28,583	8,352	53,156	(20,558)	987	-	11,730	28,456
	233,071	241,589	541,247	445,560	7,220	20,884	28,733	54,232
Own work capitalized								
	233,071	241,589	541,247	445,560	7,220	20,884	28,733	54,232

	Dairy and fruit products				Investment advisories			
	Quarter Ended		Half year ended		Quarter Ended		Half year ended	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008
Purchases								
Inter-segment					-			
Raw Material Cost		208,022		349,831	-			
	-	208,022	-	349,831	-	-	-	-
Salaries, wages and other benefits		8,543		15,867	-			
Stores, spare parts and loose tools		-			-			
Dyes and chemicals		81		217				
Packing material		60,464		119,971				
Processing charges		9,499		9,499				
Fuel and Power		25,092		41,732	-			
Repair and maintenance		12,291		16,946	-			
Insurance		689		1,076	-			
Vehicles' operating & maintenance		656		1,094	-			
Traveling and conveyance		387		825	-			
Printing and stationery		164		260	-			
Rent, rates and taxes								
Sugarcane research and development								
Training & support for education development								
Depreciation on Lease assets		93		93				
Depreciation on Fixed assets		10,933		21,183				
Other factory overheads		1,874		2,527				
	-	338,788	-	581,121	-	-	-	-
Work in process inventory								
As at 01 October		1,062		2,235				
As at 31 December		2,435		2,435				
	-	(1,373)	-	(200)	-	-	-	-
	-	337,415	-	580,921	-	-	-	-
Finished goods inventory								
As at 01 October		22,958		52,991				
As at 31 December		84,765		84,765				
	-	(61,807)	-	(31,774)	-	-	-	-
	-	275,608	-	549,147	-	-	-	-
Own work capitalized								
	-	275,608	-	549,147	-	-	-	-

	Total			
	Quarter Ended		Half year ended	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008
Purchases				
Inter-segment	11,613	-	11,613	
Raw Material Cost	1,705,437	2,397,796	2,659,858	4,179,899
	1,717,050	2,397,796	2,671,471	4,179,899
Salaries, wages and other benefits	72,937	84,289	141,746	156,759
Stores, spare parts and loose tools	30,810	34,714	57,955	68,200
Dyes and chemicals	20,857	39,105	31,497	55,177
Packing material	20,474	96,391	32,191	177,574
Processing charges	-	9,499	-	9,499
Fuel and Power	66,138	40,262	161,173	95,342
Repair and maintenance	7,060	21,970	15,789	34,796
Insurance	2,042	2,944	4,814	5,164
Vehicles' operating & maintenance	1,758	2,201	3,115	4,082
Traveling and conveyance	667	1,023	1,221	2,065
Printing and stationery	205	520	417	1,019
Rent, rates and taxes	231	612	464	1,106
Sugarcane research and development	3,188	2,733	5,409	7,247
Training & support for education development	407	201	407	206
Depreciation on Lease assets	9,206	13,954	10,848	16,882
Depreciation on Fixed assets	70,185	93,053	151,010	176,793
Other factory overheads	7,026	9,874	11,475	18,028
	2,030,241	2,851,141	3,301,002	5,009,838
Work in process inventory				
As at 01 October	45,361	51,203	9,885	10,835
As at 31 December	8,212	39,134	8,212	39,134
	37,149	12,069	1,673	(28,299)
	2,067,390	2,863,210	3,302,675	4,981,539
Finished goods inventory				
As at 01 October	1,101,468	2,063,112	949,151	1,085,401
As at 31 December	1,468,276	2,833,277	1,468,276	2,833,277
	(366,808)	(770,165)	(519,125)	(1,747,876)
	1,700,582	2,093,045	2,783,550	3,233,663
Own work capitalized	(7,220)	(20,884)	(28,733)	(54,232)
	1,693,362	2,072,161	2,754,817	3,179,431

14.1 Inter-segment purchases have been eliminated from total figures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND HALF YEAR ENDED MARCH 31, 2009 (UN-AUDITED)

	March 31, 2009	March 31, 2008
	(Rupees in thousand)	
15. Cash (used in) / generated from operations		
Profit before taxation	(499,626)	(559,741)
Adjustments for:		
Depreciation in / amortization on:		
- Property, plant and equipment	180,449	195,550
- Assets subject to finance lease	19,288	22,844
- Intangible assets	9,643	10,747
- Deferred income	(1,848)	(1,231)
Loss / (gain) on sale of property, plant and equipment	370	(341)
Profit on sale of biological assets	(23)	-
Impairment losses of investment	-	(1,434)
Gain on sale of investments	-	(5,116)
Unrealized loss on investments held for trading	29,246	4,181
Interest income on bank deposits	(3,979)	-
Retirement benefits accrued	6,761	6,485
Mark up earned on Long term loan, advances and deposits	(15,979)	-
Liabilities written back no longer required	(12,874)	-
Dividend income	(24,787)	(338)
Gain / negative goodwill arising on disposal	(64,745)	(38,324)
Share of loss/ (income) from associate	48,546	(2,761)
Provision for accumulating compensated absences	-	583
Fair value loss on recognition of biological assets	64,970	38,338
Fair Value loss on interest rate swap	(6,921)	-
Finance cost	653,593	407,405
	881,710	636,588
Profit before working capital changes	382,083	76,847
Effect on cash flow due to working capital changes:		
(Increase) in stores and spares	(9,710)	(23,663)
(Increase) in stock in trade	(550,505)	(2,133,666)
(Increase) in trade debts	(40)	(82,303)
(Increase) / decrease in biological assets	(59,389)	(1,191)
(Increase) / decrease in loans, advances, deposits, prepayments and other receivables	56,864	(143,949)
Increase in trade and other payables	627,898	1,738,777
	65,118	(645,995)
	447,201	(569,148)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND HALF YEAR ENDED MARCH 31, 2009 (UN-AUDITED)

	March 31, 2009	March 31, 2008
	(Rupees in thousand)	
16. Transaction with associated undertaking		
Dividend received	**3,753**	2,564
Purchase of goods & services	**52,169**	77,323
Sale of goods	**2,324**	3,483
Markup charged to associated company	**15,386**	-
Share of common expenses	**3,150**	-
Interest bearing advances extended to Associated company	**1,000**	-
Expenses incurred on behalf of the company	**-**	2,524
Key management personnal compensation	**19,190**	17,355
Expense in repect of retirement benefit plans	**8,250**	5,201

17. Date of authorization of issue

These financial statements were authorized for issue on May 29, 2009 by the board of directors of the company.

18. Detail of Subsidiaries

Safeway Mutual Fund Limited	June 30, 2008	64.25%	Pakistan
Safeway Fund Limited	June 30, 2008	75.00%	Pakistan

19. Corresponding figures

Comparative figures have been rearranged, whenever necessary for the purpose of comparison.

Chief Executive

Chairman