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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.

COMPANY INFORMATION

Board of Directors

1. Mazhar Karim	(Independent)	Chairman (Non-Executive)
2. Ahsan M. Saleem		Chief Executive

In alphabetic order:

3. Ali Altaf Saleem		Executive Director
4. Khalid Bashir	(Independent)	Non-Executive Director
5. Muhammad Anwar	(Independent)	Non-Executive Director
6. Muhammad Arshad	(Independent)	Non-Executive Director
7. Rubina Rizvi (NIT)	(Independent)	Non-Executive Director

Audit Committee

Chairman	Khalid Bashir
Member	Muhammad Anwar
Member	Ali Altaf Saleem

Human Resource & Remuneration Committee

Chairman	Muhammad Anwar
Member	Khalid Bashir
Member	Ali Altaf Saleem

Chief Financial Officer

S. M. Chaudhry

Company Secretary

Asif Ali

Management Committees

Executive Committee

Chairman	Ahsan M. Saleem
	Anjum M. Saleem

Business Strategy Committee

Chairman	Ahsan M. Saleem
	Anjum M. Saleem
	Ali Altaf Saleem
	Muhammad Pervaiz Akhter
	S. M. Chaudhry
	Manzoor Hussain Malik

System & Technology Committee

Chairman	Muhammad Pervaiz Akhter
	S. M. Chaudhry
	Ibrahim Ahmad Cheema

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 'Food Producers'

Public Information

Financial analysts, Stock brokers, interested investors and financial media desiring information about "Shakarganj" should contact Asif Ali at Company's Office, Jhang.
Tel: 047 765 2801 - 06
Fax: 047 765 2811
e-mail: info@shakarganj.com.pk

Shareholders' Information

Inquiries concerning lost stock certificates, dividend payment, change of address, verification of transfer deeds and share transfers should be directed to CorpTec Associates (Pvt.) Limited Share Registrar of the Company at Lahore.
Tel: 042 3578 8097 - 98
Fax: 042 3575 5215
e-mail: info@corptec.com.pk

Products

- Sugar
- Ethanol
- Particle Board
- Yarn
- Electricity

Legal Advisor

Hassan & Hassan Advocates,
Lahore

Auditors

A.F. Ferguson & Co.
Chartered Accountants

Bankers

Allied Bank Limited
MCB Bank Limited
National Bank of Pakistan
The Bank of Punjab
United Bank Limited
Standard Chartered Bank
Silk Bank Limited
Bank Alfalah Limited
Faysal Bank Limited

Works

Principal Facility

Management House, Toba Road
Jhang, Pakistan
Tel: 047 765 2801 - 06
Fax: 047 765 2811
e-mail: info@shakarganj.com.pk

Satellite Facility

63km Sargodha Road,
Jhang, Pakistan
Tel: 048 688 9210
Fax: 048 688 9211
e-mail: info@shakarganj.com.pk

Website

www.shakarganj.com.pk
Note: This Interim Report is available on Shakarganj website.

Registered and Principal Office

10th Floor, BOP Tower,
10-B Block E 2, Gulberg III,
Lahore, Pakistan.
Tel: 042 3578 3801- 06
Fax: 042 3578 3811

Karachi Office

12th Floor, Sidco Avenue Centre,
264 R.A. Lines, Karachi.
Tel: 021 3568 8149
Fax: 021 3568 0476

Faisalabad Office

Nishatabad, New Lahore Road,
Faisalabad, Pakistan.
Tel: 041 875 2810
Fax: 041 875 2811

COMPANY PROFILE

Shakarganj Mills Limited was incorporated in Pakistan in 1967 as a Public Limited Company and is listed on all three stock exchanges of Pakistan. Shakarganj is a leading manufacturer of food products, industrial ethanol and particle board as well as textiles. We transform renewable crops such as sugarcane and cotton into value added products comprising refined sugar, textiles, industrial grade ethanol and building materials in addition to generating electricity from biogas. The Company has two manufacturing facilities in Jhang District. Our registered office is in Lahore.

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

Sugar Business:

We have two manufacturing facilities, located in District Jhang. We produce different types of sugar comprising pharmaceutical, beverage and commercial grades sugar as well as soft brown sugar, castor and icing sugar, sugar cubes, sachets and retail packs.

Our combined crushing capacity is of 20,000 metric tons of sugarcane per day which is extendable to 32,000 metric tons per day.

Ethanol Business:

We have distilleries located at Jhang and Bhone where various grades of ethanol are produced. Our products include rectified ethanol for industrial and food grades, anhydrous ethanol for fuel grade and extra neutral ethanol for pharmaceutical and perfume grades. The combined capacity of our distilleries is 280,000 - 300,000 liters per day.

Building Materials Business:

Our Building Materials Division is located at Jhang facility, with a capability to produce 12 x 4 feet sheets of particle board of varying thickness. Our daily production capacity is 30 cubic meters.

Alternate Energy Business:

Biogas power generation facility is located at Jhang. This facility comprises 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.

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 different parcels of land mainly located at Jhang Division nearby our manufacturing facilities. Total area under cultivation is over 1,850 acres of which nearly 1,265 acres is owned land and rest is leased. The main crops include Sugarcane, Wheat, Gram, Maize, Fodder and seasonal vegetables. A dairy farm located at Jhang has been developed, with a herd of 200 milking and fattening cattle. Small herd of rams and bucks for fattening purpose has also been developed.

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 provide long-term value for our shareholders. Our strategy is to build a stronger value added business with a low-cost commodity base.

We focus on five key business objectives to deliver consistent growth.

- Serve our Customers:

Delivering excellent customer service is at the core of everything we do. Our aim is to be the partner of choice in our customers' processes and to help them develop more successful consumer products.

- Operate Efficiently and Safely:

We aim to be the lowest-cost and most efficient producer in all our markets. Through our expertise in high-volume process management, our focus is on technical and manufacturing excellence and the efficient use of services such as logistics and utilities. We are continually working to improve operational efficiency and strive to ensure safe and healthy conditions for everyone at our sites.

- Invest in Long Term Assets and Partnerships:

We continually evaluate investment opportunities that would add strategic value by enabling us to enter new markets or add products, technologies and knowledge more efficiently than we could 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 will help secure access to new and complementary technology and expertise.

- Invest in Technology and People:

We are investing in our research and development capabilities to help us in developing innovative solutions that meet our customers' product challenges. We are also complementing our own capabilities through business and technology partnerships, and university collaborations. To develop talent, improve leadership and help our employees succeed, we operate various programs designed to ensure the right skills at all levels to grow our business.

- Grow the Contribution from Value Added Products:

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

DIRECTOR'S REVIEW

Dear Shareholders

I am pleased to present the condensed interim financial information of the Company for the six months ended 31 March 2012. These condensed interim financial information were subject to a limited scope review by the auditors A. F. Ferguson & Co. and their report is attached to the financial statements.

Overall Financial and Operational Performance

Despite the economic challenges, the Company's profit from operations for the first half of Fiscal 2012 stood at Rs. 908 million as compared to Rs. 685 million for the corresponding period last year. After tax profit was Rs. 471 million as compared to Rs. 303 million (including Rs. 116 million from discontinued operations) for the corresponding period last year. Overall earnings per share for the period under review improved significantly to Rs. 6.77 as compared to Rs. 4.36 in the corresponding period last year.

During the first half of Fiscal 2012, all key performance indicators have shown improvement compared to the corresponding period last year. The following paragraphs give the brief review of operating performance of various divisions of the company:

Sugar Division

Sugarcane crushing season started on 14 October 2011, about forty days earlier compared to the previous season's starting date of 24 November 2010. As expected, bumper crop this year in the region enabled us to run the current season till the 25 March 2012. During the period, sugarcane crushed was 1,957,358 tons as against 1,552,750 tons during the corresponding period. Sugar production at the end of season stood at

173,620 tons, with the average recovery rate of 8.87%, as against 139,438 tons with the recovery rate at 9.00% in the corresponding period last year. Our operational performance of sugar business improved significantly in terms of crushing and production due to early start of crushing, however, there was a slight decrease in sugar recovery as compared to the previous period.

Net sales revenue of the Sugar Division stood at Rs. 4,815 million as against net sale revenue of Rs. 6,676 million. The gross profit margin decreased to 3.82%, as compared to margin of 7.86% during corresponding period due to decrease in average gross selling price affecting the gross profit margin adversely.

Operating expenses were Rs. 102 million as compared to Rs. 127 million in corresponding period of last year.

Ethanol and Alternate Energy Business

In the period under review, the performance of our Ethanol Division also improved due to higher capacity utilization, allowing us to produce 45.61 million liters as compared to 25 million liters in the corresponding period.

Sales revenue from ethanol stood at Rs. 2,456 million as compared to Rs. 923 million in the corresponding period last year with gross profit margin increasing to 38.30% from 24.94%.

Operating expenses were Rs. 206 million as compared to Rs. 99 million in corresponding period of last year. Operating expenses increased due to higher exports of ethanol. This division achieved an operating profit of Rs. 735 million as compared to Rs. 149 million in the corresponding period.

Timely start up of ethanol production also allowed for smooth operations of the Power Division where we generated 12.9 million units of electricity as compared to

11.8 million units during the corresponding period of last year.

Sales revenue from Power Division stood at Rs. 123 million as compared to Rs. 86 million in corresponding period last year with the gross profit margin increasing to 50.08% from 7.99% in previous period.

Building Material Division

The production performance of this division remained satisfactory as production in the period under review was 4,983 cubic meters compared to 3,548 cubic meters during the corresponding period. Sales revenue of this division stood at Rs. 63 million compared to Rs. 21 million in the corresponding period.

Operating expenses stood at Rs. 1.33 million for the current period under review compared to Rs. 0.45 million. Operating profit of this division improved to Rs. 8 million compared to Rs. 2 million in the corresponding period due to higher sale volume.

Textile Division

Sales revenue of this division was Rs. 813 million compared to Rs. 1,108 million in the corresponding period with the gross profit margin increasing to 3.89% from 2.15%.

Overall production in the current period was 73,592 bags against 71,761 bags. Actual production in 20's converted was 77,098 bags against 75,155 bags.

Operating expenses stood at Rs. 13.45 million for the current period under review

compared to Rs. 12.80 million during corresponding period.

Future Outlook

Performance of most of the segments of business during the period under review has improved. Higher sugarcane crushing with increase in sugar production and satisfactory profitability level in ethanol business has contributed positively towards Company's financial stability.

Our Ethanol Division is expected to operate at higher capacity with higher ethanol production as well as increased power generation. The results of Textile Division are positive and are expected to contribute towards bottom line. Our Building Material Division is all set for maximum production and we expect better results from this segment.

On behalf of the Board



Ahsan M. Saleem
Chief Executive Officer

Date: 31 May 2012

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 31 March 2012 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, 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 and condensed interim statement of comprehensive income for the quarters ended 31 March 2012 and 2011 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 31 March 2012.

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.

Conclusion

Based on our review 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 31 March 2012 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 indicates that the company could not meet its obligations in respect of principal and markup repayments on borrowings from financial institutions. The current liabilities of the company have exceeded its current assets by Rs 4,502.876 million and equity is completely eroded. These conditions, along with other matters as set forth in note 1.2 indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Chartered Accountants

Lahore

Name of engagement partner:

Asad Aleem Mirza

31 May 2012

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23-C, Aziz Avenue, Canal Bank, Gulberg V, P.O.Box 39, Lahore-54660; Pakistan.
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Karachi: State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan.
Tel: +92 (21) 3242 6682-6/3242 6711-5; Fax: +92 (21) 3241 5007/3242 7938; <www.pwc.com/pk>
Islamabad: PIA Building, 3rd Floor, 49 Blue Area, Fazl-ul-Haq Road, P.O.Box 3021, Islamabad-44000; Tel: +92 (51) 2273 457-60; Fax: +92 (51) 227 7924
Kabul: House No. 1916, Street No. 1, Behind Cinema Bariqot, Nahar-e-Darson, Karte-4, Kabul, Afghanistan. Tel: +93 (779) 315 320

CONDENSED INTERIM BALANCE SHEET

As at 31 March 2012 (Un-Audited)

	Note	March 2012 Un-Audited (Rupees in thousand)	September 2011 Audited
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
80,000,000 (30 September 2011: 80,000,000) ordinary shares of Rs 10 each		800,000	800,000
50,000,000 (30 September 2011: 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 (30 September 2011: 69,523,798) ordinary shares of Rs 10 each		695,238	695,238
Reserves		920,248	892,985
Accumulated loss		(2,296,251)	(2,767,168)
		(680,765)	(1,178,945)
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		1,416,678	1,416,678
NON-CURRENT LIABILITIES			
Long term finances	7	644,495	363,205
Liabilities against assets subject to finance lease		23,508	24,837
Employees' retirement benefits		533	501
		668,536	388,543
CURRENT LIABILITIES			
Current portion of long term liabilities		2,054,686	2,460,408
Short term borrowings - secured		3,440,844	2,541,813
Trade and other payables		4,494,395	1,245,952
Accrued finance cost		1,125,832	1,087,629
Provision for taxation		2,702	40,970
		11,118,459	7,376,772
CONTINGENCIES AND COMMITMENTS	8		
		12,522,908	8,003,048

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.


Chief Executive

	Note	March 2012 Un-Audited (Rupees in thousand)	September 2011 Audited
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	5,223,395	5,241,210
Intangible assets		1,090	1,137
Biological assets		8,897	11,140
Investments - related parties	10	626,632	618,052
Employees' retirement benefits		1,232	1,045
Long term loans, advances, deposits and prepayments		46,079	45,068
Deferred taxation		-	-
		5,907,325	5,917,652

CURRENT ASSETS

Biological assets		23,431	21,493
Stores, spares and loose tools		136,054	106,393
Stock-in-trade		5,753,960	1,085,822
Trade debts		377,571	491,646
Investments	11	103,377	69,545
Loans, advances, deposits, prepayments and other receivables		186,337	191,328
Cash and bank balances		34,853	119,169
		6,615,583	2,085,396

12,522,908	8,003,048
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Chairman

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

For the Quarter and Half Year Ended 31 March 2012 (Un-Audited)

	Note	Quarter ended		Half year ended		
		31 March	31 March	31 March	31 March	
		2012	2011	2012	2011	
		(Rupees in thousand)				
		(Represented)		(Represented)		
Continuing Operations:						
Sales	13.1	4,301,464	6,059,970	7,313,707	7,976,482	
Cost of sales	13.2	(3,460,735)	(5,332,533)	(6,085,149)	(7,193,330)	
Gross profit		840,729	727,437	1,228,558	783,152	
Administrative expenses		(79,773)	(108,222)	(160,837)	(157,476)	
Distribution and selling costs		(93,101)	(78,213)	(166,435)	(87,028)	
Other operating expenses		(30,718)	(36,714)	(56,478)	(36,816)	
Other operating income		25,967	103,216	63,118	182,910	
Profit from operations		663,104	607,504	907,926	684,742	
Finance cost		(212,075)	(210,313)	(401,991)	(444,528)	
Share of income from associates		38,459	19,501	49,963	38,148	
Profit before taxation		489,488	416,692	555,898	278,362	
Taxation						
- Company		(41,354)	(60,620)	(72,817)	(79,666)	
- Associates		(6,193)	(6,271)	(12,164)	(12,311)	
		(47,547)	(66,891)	(84,981)	(91,977)	
Profit for the period from continuing operations		441,941	349,801	470,917	186,385	
Discontinued Operations:						
Profit for the period from discontinued operations	12	-	-	-	116,722	
Profit for the period		441,941	349,801	470,917	303,107	
Earnings per share from continuing and discontinued operations						
Basic earnings per share						
- From continuing operations	Rupees	14	6.36	5.03	6.77	2.68
- From discontinued operations	Rupees	14	-	-	-	1.68
- From profit for the period	Rupees		6.36	5.03	6.77	4.36
Diluted earnings per share						
- From continuing operations	Rupees	14	5.97	4.74	6.45	2.67
- From discontinued operations	Rupees	14	-	-	-	1.68
- From profit for the period	Rupees		5.97	4.74	6.45	4.35

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.


Chief Executive


Chairman

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the Quarter and Half Year Ended 31 March 2012 (Un-Audited)

	Quarter ended		Half year ended	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	(Rupees in thousand)			
Profit for the period	441,941	349,801	470,917	303,107
Other comprehensive income				
Fair value gain / (loss) on 'Available for sale' investments	41,381	(21,002)	25,572	(68,819)
Impairment loss transferred to profit and loss account	-	-	-	16,379
	41,381	(21,002)	25,572	(52,440)
Share of other comprehensive (loss) / income of associates	(314)	(358)	1,691	293
Transfer from surplus on revaluation of property, plant and equipment on account of - incremental depreciation - net of tax - disposal of land - net of tax	-	4	-	9
	-	4	-	50,571
Other comprehensive income / (loss) for the period	41,067	(21,356)	27,263	(1,567)
Total comprehensive income for the period	483,008	328,445	498,180	301,540

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.



 Chief Executive



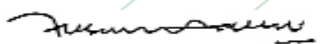
 Chairman

CONDENSED INTERIM CASH FLOW STATEMENT

For the Half Year Ended 31 March 2012 (Un-Audited)

	Note	Half year ended	
		March 2012	March 2011
Cash flows from operating activities			
Cash used in operations	15	(324,689)	(1,671,480)
Finance cost paid		(288,537)	(276,177)
Taxes paid		(111,085)	(19,313)
Employees' retirement benefits paid		(6,868)	(5,882)
Net (increase)/decrease in long term advances, loans, deposits and prepayments		(1,011)	3,314
Net cash used in operating activities		(732,190)	(1,969,538)
Cash flows from investing activities			
Fixed capital expenditure		(155,494)	(82,150)
Dividend received		33,351	43,495
Income from bank deposits received		12,336	284
Sale proceeds from sale of livestock		1,533	2,285
Sale proceeds from sale of Dargai Shah Facility		-	478,000
Sale proceeds from sale of property, plant and equipment		58,129	70,070
Net cash (used in) / generated from investing activities		(50,145)	511,984
Cash flows from financing activities			
Repayment of long term finances		(364,579)	(115,600)
Net increase in short term borrowings - secured		1,080,031	1,765,543
Dividend paid		-	(2)
Finance lease liabilities - net		(17,433)	(153,839)
Net cash generated from financing activities		698,019	1,496,102
Net (decrease) / increase in cash and cash equivalents		(84,316)	38,548
Cash and cash equivalents at the beginning of the period		119,169	33,514
Cash and cash equivalents at the end of the period		34,853	72,062

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.



Chief Executive



Chairman

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the Half Year Ended 31 March 2012 (Un-Audited)

(Rupees in thousand)

	Share Capital	Share Premium	Share in capital reserves of associates	Capital Reserve			Revenue Reserve			Accumulated (loss) / profit	Total	
				Fair Value Reserve	Difference of Capital Under Scheme of Arrangement of Merger	Sub - Total	General	Dividend Equalization	Equity Investment Market Value Equalization			Sub - Total
Balance as on 30 September 2010	695,238	243,282	13,321	40,402	155,930	452,935	410,606	22,700	83,000	969,241	(2,870,871)	(1,206,392)
Total comprehensive income for the period ended 31 March 2011	-	-	-	-	-	-	-	-	-	-	-	303,106
Other comprehensive loss for the period	-	-	-	-	-	-	-	-	-	-	-	-
Fair value loss on 'Available for sale' investments	-	-	-	(52,440)	-	(52,440)	-	-	-	(52,440)	-	(52,440)
Share of other comprehensive income of associates	-	-	293	-	-	293	-	-	-	293	-	293
Transfer from surplus on revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	50,580
Total comprehensive income / (loss) for the period	-	-	293	(52,440)	-	(52,147)	-	-	-	(52,147)	-	50,580
Total comprehensive income / (loss) for the period	-	-	293	(52,440)	-	(52,147)	-	-	-	(52,147)	-	353,686
Total contributions by and distributions to owners of the Company recognized directly in equity	-	-	-	-	-	-	-	-	-	-	-	-
Balance as on 31 March 2011	695,238	243,282	13,614	(12,038)	155,930	400,788	410,606	22,700	83,000	917,094	(2,517,185)	(904,853)
Balance as on 30 September 2011	695,238	243,282	15,904	(38,437)	155,930	376,679	410,606	22,700	83,000	892,985	(2,767,168)	(1,178,945)
Total comprehensive income for the period ended 31 March 2012	-	-	-	-	-	-	-	-	-	-	-	470,917
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	470,917
Fair value gain on 'Available for sale' investments	-	-	-	25,572	-	25,572	-	-	-	25,572	-	25,572
Share of other comprehensive income of associates	-	-	1,691	-	-	1,691	-	-	-	1,691	-	1,691
Total comprehensive income for the period	-	-	1,691	25,572	-	27,263	-	-	-	27,263	-	27,263
Total comprehensive income for the period	-	-	1,691	25,572	-	27,263	-	-	-	27,263	-	498,180
Total contributions by and distributions to owners of the Company recognized directly in equity	-	-	-	-	-	-	-	-	-	-	-	-
Balance as on 31 March 2012	695,238	243,282	17,595	(12,865)	155,930	403,942	410,606	22,700	83,000	920,248	(2,296,251)	(680,765)

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.



Chief Executive



Chairman

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

For the Quarter and Half Year Ended 31 March 2012 (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 manufacture, purchase and sale of sugar, ethanol, building material, yarn and engaged in generation and sale of electricity. The Company has its principal manufacturing facilities at Jhang and satellite manufacturing facilities at Bhone. The registered office of the Company is situated in Lahore.

1.2 Going concern assumption

As at the reporting date, the current liabilities of the Company have exceeded its current assets by Rs 4,503 million (30 September 2011: Rs 5,291 million), the equity has been eroded and stands at negative Rs 681 million (30 September 2011 Rs 1,179 million). The Company has not been able to meet its various obligations for long term loans, lease financing and short term borrowings. Borrowings (including mark-up payable thereon) aggregating Rs 2,665 million (30 September 2011: Rs 3,356 million) are over-due for payment.

The Company has been facing liquidity crunch for the last few years. In February 2010 the Company entered into agreements for a bridge finance facility of Rs 2,466 million and short term running finance facility of Rs 2,980 million from a consortium of its existing lenders. The bridge finance was envisaged to be operational by April 2010 and fully repaid by June 2011 through sale of certain assets of the Company, identified in the agreement. However, neither the bridge finance facility nor the consortium cash finance could become operative due to delays in obtaining No-objection certificate from National Bank of Pakistan for creation of pari passu charge on the assets against the above new facilities. Furthermore, the Company was not able to liquidate all of the specified assets as per timelines identified in the bridge loan agreement and subsequent to 30 June 2011, these facilities stood expired.

The above conditions raise significant doubts on the Company's ability to continue as a going concern. However, the management is confident of the Company's ability to continue as a going concern based on its concerted effort to re-profile borrowings and utilization of improved liquidity in higher operational levels of cane crushing and ethanol manufacturing.

The steps taken by management up till now and planned in future are as follows:

The Company took significant operational measures in previous year to improve its productivity and financial results in order to generate liquidity for financing of operations and repayment of borrowings. Keeping on with its efforts, the Company was able to crush 1.957 million tons of sugarcane as compared to 1.552 million tons of sugarcane during the last period. Similarly the production of ethanol also increased from 24.968 million liters in last period to 45.557 million liters in current period.

To date the Company has repaid Rs 1,391 million of the bridge loan through utilization of improved liquidity resulting from better operational results as explained above and sale of certain assets of the Company, namely, Sugar Unit at Dargai Shah, Power Division at Dargai Shah, partial divestment in Safeway Mutual Fund Limited and Asian Stock Fund Limited, sale of investment in Safeway Fund Limited and partial disposal of agricultural land. Moreover during last period the Company also settled its lease liability of Rs 148.45 million to Meezan Bank Limited for an amount of Rs 144.1 million, under a compromise agreement with the bank.

After the expiry of Bridge loan facility on 30 June 2011 the Company, in its efforts to re-profile its borrowings, continued the process of negotiations with its lenders seeking short term financing facilities for operational liquidity and relaxation in payments of its existing loan, the details of which are as follows:

Short term secured financing

The Company requested its lenders for following short term secured financing for operational liquidity:

- Working capital line against pledge of sugar at 20% margin for 120 to 150 days with an incentive for lender to adjust 10% of the new disbursement against settlement of existing over-due loans (principal only); and
- An FE 25 loan in US Dollars with a maturity of 120-150 days after settlement of working capital against pledge of sugar. Such loan is being offered to be securitized against pledge of molasses/ethanol with an incentive for lender to adjust 20% of the new disbursement against settlement of existing over-due loans (principal only).

Newly disbursed facilities shall be settled upon sale of respective commodities (sugar/ethanol).

The Company after successfully negotiating with some of its lenders on bilateral terms received responses from a number of banks and obtained working capital lines of Rs 1,000 million from MCB Bank Limited, Rs 200 million from NIB Bank Limited, Rs 170 million from Standard Chartered Bank and Rs 540 million from United Bank Limited and an FE 25 loan of Rs 100 million from Faysal Bank Limited. The facilities have been obtained against pledge of sugar at margin ranging from 15% to 25% and have resulted in significantly improved operational results in current period.

Relaxations in repayments of existing loans

The Company has requested following relaxations from its lenders in view of its above mentioned proposal:

- rescheduling of over-due balance payable to be repaid 50% in 2011-12, 25% in 2013-13 and 25% in 2013-14;
- to freeze the amount of accrued interest on bridge facility up to 30 September 2011 which shall be paid during the next three years; and
- the long term debt will remain operative (being frozen after 30 September 2011) and its interest plus installment will be paid as and when due.

To date the Company has been able to restructure/reschedule Rs 473 million of various over-due borrowings from MCB Bank Limited, Rs 176 million of long term running finance and Rs 75 million of accrued mark-up under bridge finance from The Bank of Punjab, Bridge finance of Rs 67 million from NIB Bank Limited and Bridge finance of Rs 181 million from United Bank Limited to long term loans with relaxation in payment terms. The Company is confident that based on its above mentioned plan it will continue to enjoy support from lenders and also be able to reschedule remaining of its existing over-due borrowings as well.

The condensed interim financial information has been prepared on a going concern basis based on management's expectation that:

- the Company will continue to get support of its lenders and will be able to obtain relaxation in payment terms of its over-due borrowings; and
- the Company will be able to generate adequate liquidity through new short term borrowings and will be successful in utilizing such funds to increase its operations and achieve its budgeted targets for production of sugar, ethanol etc.

The condensed interim financial information consequently, do not include any adjustments relating to the realization of its assets and liquidation of any liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Basis of preparation

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of the International Accounting Standards (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued under The Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under The Companies Ordinance, 1984 have been followed. The figures for the half year ended 31 March 2012 have, however, been subjected to limited scope review by the auditors as required by the Code of Corporate Governance. This condensed interim financial information does not include all the information required for annual financial statements and therefore should be read in conjunction with the annual financial statements for the year ended 30 September 2011.

3. Significant Accounting Policies

3.1 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 30 September 2011 except for the adoption of new accounting policies as referred to in note 3.2.1.

3.2 Standards, Interpretations and amendments to published approved accounting standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after following dates:

3.2.1 Standards and interpretations to existing standards that are effective and applicable to the Company

- IFRS 7, 'Disclosures on transfers of financial assets' (Amendment), issued in October 2010. The new disclosure requirements apply to transferred financial assets. An entity transfers a financial asset when it transfers the contractual rights to receive cash flows of the asset to another party. These amendments are as part the IASBs comprehensive review of off balance sheet activities. The amendments will promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitization of financial asset. These amendments do not have any impact on the Company's condensed interim financial information.

- IAS 1 'Presentation of financial statements' (Amendment), is effective from 01 January 2011. The amendment clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. The company has opted to present the analysis in statement of changes in equity.

- IAS 24 (Revised), 'Related party disclosures', issued in November 2009. It supersedes IAS 24, 'Related party disclosures', issued in 2003. The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The application of this standard has no material impact on the Company's condensed interim financial information.

- IAS 34, 'Interim financial reporting' (Amendment), is effective from 01 January 2011. Greater emphasis has been placed on the disclosure principles in IAS 34 involving significant events and transactions, including changes to fair value measurements, and the need to update relevant information from the most recent annual report. The application of the amendment will not affect the results or net assets of the Company as it is only concerned with presentation and disclosures.

- IFRIC 14 (Amendment), 'Prepayments of a minimum funding requirement', is effective from 01 January 2011. The amendments correct an unintended consequence of IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'. Without the amendments, entities are not permitted to recognize as an asset some voluntary prepayments for minimum funding contributions. This was not intended when IFRIC 14 was issued, and the amendments correct this. The application of this amendment has no material impact on the Company's condensed interim financial information.

3.2.2 Standards and interpretations to existing standards not yet effective

Standards or Interpretations	Effective date (accounting periods beginning on or after)
IFRS 7 - Financial instruments: Disclosures	01 January 2013
IFRS 9 - Financial instruments	01 January 2015
IFRS 10 - Consolidated financial statements	01 January 2013
IFRS 11 - Joint arrangements	01 January 2013
IFRS 12 - Disclosures of interests in other entities	01 January 2013
IFRS 13 - Fair value measurement	01 January 2013
IAS 1 - Financial statement presentation	01 July 2012
IAS 12 - Income Tax	01 January 2012
IAS 19 - Employee benefits	01 July 2012
IAS 27 (revised 2011) - Separate financial statements	01 January 2013
IAS 28 (revised 2011) - Associates and joint ventures	01 January 2013
IAS 32 - Financial instruments : Presentation	01 January 2013

4. Estimates

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 30 September 2011.

5. Seasonality of operations

Due to seasonal nature of sugar segment lower operating profits are usually expected in the second half of the year than the first six months.

6. Taxation

The provision for taxation for the half year ended 31 March 2012 has been made on an estimated basis.

	March 2012	September 2011
	(Rupees in thousand)	
7. Long term finances		
Opening balance	2,794,162	2,736,067
Add: Reclassified from short term to long term borrowings	256,251	472,999
Add: Effective interest on loans from chief executive and key management personnel	-	7,265
	3,050,413	3,216,331
Less: Repayments during the period	(364,579)	(422,170)
	2,685,834	2,794,161
Less: Current portion shown under current liabilities	- note 7.1 (2,041,339)	(2,430,956)
	644,495	363,205

7.1 The aggregate current portion of Rs 2,041 million (30 September 2011: Rs 2,431 million) includes over due principal installments aggregating to Rs 656 million (30 September 2011: Rs 686 million) and Rs 924 million (30 September 2011: Rs 1,137 million) representing principal installments which under the term of original loan agreements are due for repayment in period subsequent to 31 March 2013. However, as the Company could not repay on a timely basis the installments due up-till the period ended 31 March 2012 and is non-compliant with certain debt covenants, which represents a breach of the respective agreements, therefore these loans are required to be disclosed as a current liability under the guidance contained in IAS 1 "Presentation of financial statements". The banks have not demanded an early repayment nor have levied any penalties.

8. Contingencies and commitments

8.1 Contingencies

(i) The Company has issued following guarantees:

Bank guarantee of Rs 9.552 million (30 September 2011: Rs 9.552 million) in favour of Sui Northern Gas Pipelines Limited against performance of contracts.

Cross corporate guarantee in favour of Allied Bank Limited to secure long term finance facility availed by the Company's associate, Shakarganj Food Products Limited of Rs 467 million (30 September 2011: Rs 467 million).

(ii) 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 (30 September 2011: 5.040 million).

(iii) As referred to in note 1.2, the Company entered into a bridge finance agreement with a consortium of banks for Rs 2,466 million to be repaid by 30 June 2011 from the sale of assets, identified in the agreement. For reasons specified in the note 1.2, the bridge facility could not become operative and expired on 30 June 2011. The Company has, in these financial statements, accrued markup based on the reduced rates contained in the bridge finance agreement on its respective borrowings to the tune of Rs 2,466 million. Had the markup been accrued at the terms of original agreements, it would have been higher by Rs 113.281 million (30 September 2011: Rs 102.428 million) approximately. However, as explained in note 1.2, the Company is in process of negotiation with lenders for restructuring of overdue balances and is confident that the lenders will not demand markup as per original agreements.

Moreover, pending the finalization of restructured terms of payments with all lenders, the Company has not recognized penalties of Rs 384.694 million (30 September 2011: Rs 302.081 million) approximately which may be leviable under the terms of borrowings agreements including the bridge finance facility. None of the lenders has demanded any payment for the above referred penalties and the Company is confident that it will be able to negotiate restructured terms for repayment of loans and no penalty shall be levied by the lenders.

8.2 Commitments

The Company has the following commitments in respect of:

- (i) Contracts for capital expenditure amounting to Rs 65.213 million (30 September 2011: Rs 65.213 million).
- (ii) Contracts for acquisition of intangible (computer software) amounting to Rs 20 million (30 September 2011: Rs 20 million).
- (iii) Contracts for other than capital expenditures Rs 1.13 million (30 September 2011: Rs 8.28 million).
- (iv) The amount of future payments under operating leases and the period in which these payments will become due are as follows:

	March 2012	September 2011
	(Rupees in thousand)	
Not later than one year	4,420	3,391
Later than one and not later than five years	5,064	2,880
	9,484	6,271

9. Property, plant and equipment

Operating assets - at net book value		
- Owned assets	4,870,692	4,878,818
- Leased assets	71,310	90,230
	4,942,002	4,969,048
Capital work in progress	281,393	272,162
	5,223,395	5,241,210

9.1 Operating assets - at net book value

Opening book value	4,969,048	4,383,526
Add: Additions during the period / year	146,263	139,072
Add: Reclassified from non-current assets held for disposal	-	1,065,587
	5,115,311	5,588,185
Less: Disposals during the period / year (at book value)	(35,011)	(222,798)
Depreciation charged during the period / year	(138,298)	(298,818)
Effect of revaluation during the period / year	-	(97,521)
	(173,309)	(619,137)
Closing book value	4,942,002	4,969,048

March **September**
2012 **2011**
(Rupees in thousand)

9.1.1 Addition during the period/year

Freehold Land	1,550	1,061
Buildings and roads on freehold land	13,662	9,385
Plant and machinery	91,216	70,338
Tools and equipments	3,195	424
Laboratory equipments	2,775	479
Office equipments	4,982	15,373
Water, electric and weighbridge equipment	6,337	2,245
Furniture and fixtures	2,141	1,771
Vehicles	20,374	37,625
Arms and ammunition	-	243
Library books	31	128
	146,263	139,072

10. Investments - related parties

In equity instruments of associates	- note 10.1	560,708	543,867
Available for sale	- note 10.3	65,924	74,185
		626,632	618,052

10.1 In equity instruments of associates

Cost	545,793	545,793	
Brought forward amounts of post acquisition reserves, profits and negative goodwill recognized directly in profit and loss account	(1,926)	(29,225)	
	543,867	516,568	
Share of movement in reserves during the period / year	1,691	2,583	
Share of profit for the period / year			
- before taxation	49,963	55,893	
- provision for taxation	(12,164)	(25,737)	
	37,799	30,156	
	583,357	549,307	
Dividend received during the period / year	(22,649)	(5,440)	
Balance as at period / year end	- note 10.2	560,708	543,867

March
2012
(Rupees in thousand)

September
2011

10.2 In equity instruments of associates

Quoted

Crescent Steel and Allied Products Limited

2,720,062 (30 September 2011: 2,720,062)
fully paid ordinary shares of Rs. 10 each
Equity held: 4.82% (30 September 2011: 4.82%)

188,596 185,125

Safeway Mutual Fund Limited

16,579,143 (30 September 2011: 16,579,143)
fully paid ordinary shares of Rs. 10 each
Equity held: 30.45% (30 September 2011: 30.45%)

77,026 101,299

Unquoted

Shakarganj Food Products Limited

74,654,596 (30 September 2011: 74,654,596)
fully paid ordinary shares of Rs. 10 each
Equity Held: 49.24% (30 September 2011: 49.24%)

295,086 257,443

560,708 543,867

10.2.1 Investments in associates include goodwill amounting to Rs. 82.886 million (30 September 2011: Rs. 82.886 million).

10.2.2 The Company's share of the results of its principal associates, all of which are incorporated in Pakistan, and its share of the assets (including goodwill) and liabilities are as follow:

Name	Percentage interest held	Assets	Liabilities	Revenues	Profit / (loss)
----- (Rupees in thousand) -----					

For the half year ended 31 March 2012

Crescent Steel and Allied Products Limited	4.82%	265,226	(88,168)	114,186	5,953
Safeway Mutual Fund Limited	30.45%	162,739	(589)	(18,201)	(5,703)
Shakarganj Food Products Limited	49.24%	675,982	(452,157)	1,013,276	37,549
		1,103,947	(540,914)	1,109,261	37,799

Name	Percentage interest held	Assets	Liabilities	Revenues	Profit / (loss)
----- (Rupees in thousand) -----					

For the year ended 30 September 2011

Crescent Steel and Allied Products Limited	4.82%	236,318	(62,818)	211,978	30,415
Shakarganj Food Products Limited	49.24%	633,061	(446,879)	1,531,055	(259)
		869,379	(509,697)	1,743,033	30,156

10.2.3 The Company's investment in Crescent Steel and Allied Products Limited is less than 20% but it is considered to be associate as per the requirements of IAS - 28 'Investments in Associates' because the Company has significant influence over its financial and operating policies through the director and chief executive of the Company.

10.2.4 The above figures of Crescent Steel and Allied Products Limited & Safeway Mutual Fund Limited are based on reviewed condensed interim consolidated financial information and reviewed condensed interim financial information as at 31 December 2011.

10.2.5 The Company has assessed the recoverable amount of investment in Crescent Steel and Allied Products Limited based on value in use calculation. This calculation has been made on discounted cash flow methodology which assumes gross profit margin of 18.45%, EBITDA of 18.10%, terminal growth rate of 7% and weighted average cost of approximately 18%.

10.2.6 The Company's investment in Safeway Mutual Fund Limited was reclassified from 'Non-current assets held for sale' to 'Investment in equity instruments of associates' at its recoverable amount as on 30 September 2011.

10.2.7 The Company has assessed the recoverable amount of investment in Shakarganj Food Products Limited based on value in use calculation. This calculation has been made on discounted cash flow methodology which assumes gross profit margin of 15.9%, EBITDA of 5%, terminal growth rate of 5% and weighted average cost of approximately 17.2%.

		March 2012	September 2011
(Rupees in thousand)			
10.3 Available for sale			
Associated companies - at cost	- note 10.3.1	147,917	147,917
Others - at cost	- note 10.3.2	2,200	2,200
		150,117	150,117
Add: Cumulative fair value gain	- note 10.3.3	9,064	17,325
Less: Cumulative impairment losses recognized	- note 10.3.4	(93,257)	(93,257)
Fair value loss		(84,193)	(75,932)
		65,924	74,185

10.3.1 Associated companies

Quoted

Crescent Jute Products Limited

536,817 (30 September 2011: 536,817)
fully paid ordinary shares of Rs 10 each

- -

Asian Stocks Fund Limited

16,245,673 (30 September 2011: 16,245,673)
fully paid ordinary shares of Rs 10 each
Equity held 18.05% (30 September 2011: 18.05%)

144,917 144,917

Unquoted

Crescent Standard Telecommunications Limited

300,000 (30 September 2011: 300,000)
fully paid ordinary shares of Rs 10 each

3,000 3,000

147,917 147,917

	March 2012	September 2011
	(Rupees in thousand)	
10.3.2 Others		
Unquoted		
Crescent Group Services (Private) Limited		
220,000 (30 September 2011: 220,000) fully paid ordinary shares of Rs 10 each	2,200	2,200
10.3.3 Cumulative fair value gain		
As at 1 October	17,325	413
Reclassified from investments held for disposal	-	11,372
Fair value loss during the period / year	(8,261)	(4,207)
	9,064	7,578
Impairment loss transferred to profit and loss account	-	9,747
As at period / year end	9,064	17,325

10.3.4 Cumulative impairment losses recognized

As at 1 October	93,257	5,200
Reclassified from investments held for disposal	-	78,310
Recognized during the period / year	-	9,747
As at period / year end	93,257	93,257

10.4 Investments with face value of Rs 922.486 million (30 September 2011: Rs 922.486 million) and market value of Rs 784.346 million (30 September 2011: Rs 795.489 million) are pledged as security against long term running finances and short term borrowings.

		March 2012	September 2011
		(Rupees in thousand)	
11. Investments			
Available for sale - at cost	- note 11.1	125,307	125,307
Add: Cumulative fair value loss	- note 11.2	(21,930)	(55,762)
		103,377	69,545
11.1 Available for sale - at cost			
Altern Energy Limited - Quoted			
12,530,582 (30 September 2011: 12,530,582) fully paid ordinary shares of Rs 10 each		125,307	125,307
Innovative Investment Bank Limited - Unquoted			
51,351 (30 September 2011: 51,351) fully paid ordinary shares of Rs 10 each		-	-
		125,307	125,307

	March 2012	September 2011
	(Rupees in thousand)	
11.2 Cumulative fair value loss		
As at 1 October	(55,762)	18,669
Fair value gain / (loss) during period / year	33,832	(74,431)
	<hr/>	<hr/>
As at period / year end	(21,930)	(55,762)
	<hr/> <hr/>	<hr/> <hr/>

11.3 Investments with face value of Rs 124.66 million (30 September 2011: Rs 124.66 million) and market value of Rs 102.845 million (30 September 2011: Rs 69.186 million) are pledged as security against long term running finances and short term borrowings.

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

An asset sales agreement with Hunza Sugar Mills Limited was signed on 03 December 2010 for the sale of Company's 'Satellite facility at Dargai Shah (Sugar Division)'. As per the terms of agreement the assets were sold for Rs 1,350 million. Out of consideration of Rs 1,350 million, the Company received an amount of Rs 478 million whereas remaining amount of Rs 872 million was transferred to an Escrow account with Silk Bank Limited (Escrow agent). The Escrow Agent released the amount to members of the bridge finance arrangement in September 2011 upon legal transfer of the property to buyer after release of existing charges on this property from the lenders.

	Quarter ended		Half year ended	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	(Rupees in thousand)			
Analysis of the results of discontinued operations				
Sales	-	-	-	-
Other operating Income	-	-	-	157,913
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	157,913
Expenses				
Cost of sales	-	-	-	-
Administrative expenses	-	-	-	(5,649)
Distribution and selling expenses	-	-	-	(30)
Other operating expenses	-	-	-	(35,511)
Finance Cost	-	-	-	(1)
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	(41,191)
Profit before taxation	-	-	-	116,722
Taxation	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Profit after taxation	-	-	-	116,722
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
			Half year ended	
			March 2012	March 2011
			(Rupees in thousand)	

Analysis of the cash flows of discontinued operations

Operating cash flows	-	(453,854)
Investing cash flows	-	477,920
Financing cash flows	-	(24,090)
	<hr/>	<hr/>
Total cash flows	-	(24)
	<hr/> <hr/>	<hr/> <hr/>

13. Segments information

(Rupees in thousand)

	Sugar				Ethanol				Building materials				Power				Sub-total carried forward			
	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	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	
13.1 Sales																				
- External	2,318,385	4,569,202	3,845,338	5,901,465	1,456,204	902,772	2,456,213	922,520	27,703	12,121	63,318	20,730	58,070	9,945	107,236	9,945	3,860,362	5,494,040	6,472,105	6,854,660
- Intersegment	491,427	662,432	969,813	775,305	-	-	-	-	-	-	-	-	8,276	35,254	16,070	76,121	-	-	-	-
	2,809,812	5,231,634	4,815,151	6,676,770	1,456,204	902,772	2,456,213	922,520	27,703	12,121	63,318	20,730	66,346	45,199	123,306	86,066	3,860,362	5,494,040	6,472,105	6,854,660
13.2 Segment expenses																				
- Cost of sales																				
- net of intersegment costs	2,672,054	4,715,558	4,627,592	6,120,547	330,571	49,095	579,432	(34,005)	8,715	(10,304)	27,995	(10,669)	32,602	34,811	55,935	74,131	3,043,942	4,789,160	5,290,954	6,150,004
- Intersegment cost	1,432	26,532	3,392	31,332	478,083	625,939	956,110	726,415	13,802	20,905	26,562	29,040	2,921	3,801	5,615	5,056	-	-	-	-
	2,673,486	4,742,090	4,630,984	6,151,879	808,654	675,034	1,515,542	692,410	22,517	10,601	54,357	18,371	35,523	38,612	61,550	79,187	3,043,942	4,789,160	5,290,954	6,150,004
Gross profit/(loss)	136,326	489,544	184,167	524,891	647,550	227,738	940,671	230,110	5,186	1,520	8,961	2,359	30,823	6,587	61,756	6,879	816,420	704,880	1,181,151	704,656
- Administrative expenses	(47,600)	(79,937)	(95,746)	(121,313)	(24,023)	(18,647)	(48,032)	(19,120)	(383)	(223)	(1,238)	(430)	(1,043)	(226)	(2,411)	(1,206)	(73,049)	(99,033)	(147,427)	(142,069)
- Distribution and selling cost	(2,933)	(1,868)	(6,744)	(5,535)	(89,356)	(75,604)	(158,208)	(80,269)	(88)	(4)	(95)	(15)	(185)	(50)	(185)	(100)	(92,342)	(77,526)	(165,232)	(85,919)
	(50,533)	(81,805)	(102,490)	(126,848)	(113,359)	(94,251)	(206,240)	(99,389)	(471)	(227)	(1,333)	(445)	(1,228)	(276)	(2,596)	(1,306)	(165,591)	(176,559)	(312,659)	(227,988)
Segment results	85,793	407,739	81,677	398,043	534,191	133,487	734,431	130,721	4,715	1,293	7,628	1,914	29,595	6,311	59,160	5,573	650,829	528,321	868,492	476,666

13. Segments information

	Sub-total brought forward						Textile						Farms						Others						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			
	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011		
- External inter-segment	3,860,362	5,494,040	6,472,105	6,854,660	423,069	555,430	813,016	1,107,986	5,607	10,500	16,160	13,836	12,426	-	12,426	-	4,301,464	6,059,970	7,313,707	7,976,482	4,301,464	6,059,970	7,313,707	7,976,482	4,301,464	6,059,970	7,313,707	7,976,482		
- Inter-segment	3,860,362	5,494,040	6,472,105	6,854,660	423,069	555,430	813,016	1,107,986	7,038	18,433	19,551	24,238	12,426	-	12,426	-	4,301,464	6,059,970	7,313,707	7,976,482	4,301,464	6,059,970	7,313,707	7,976,482	4,301,464	6,059,970	7,313,707	7,976,482		
13.2 Segment expenses																														
- Cost of sales	3,043,942	4,789,160	5,290,954	6,150,004	400,388	523,432	763,568	1,014,200	10,242	19,941	24,464	29,126	6,163	-	6,163	-	3,460,735	5,332,533	6,085,149	7,193,530	3,460,735	5,332,533	6,085,149	7,193,530	3,460,735	5,332,533	6,085,149	7,193,530		
- net of intersegment costs	3,043,942	4,789,160	5,290,954	6,150,004	400,388	523,432	763,568	1,014,200	10,242	19,941	24,464	29,126	6,163	-	6,163	-	3,460,735	5,332,533	6,085,149	7,193,530	3,460,735	5,332,533	6,085,149	7,193,530	3,460,735	5,332,533	6,085,149	7,193,530		
- intersegment cost	-	-	-	-	4,898	28,442	17,797	69,984	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gross profit/(loss)	3,043,942	4,789,160	5,290,954	6,150,004	405,286	551,874	781,365	1,084,184	10,242	19,941	24,464	29,126	6,163	-	6,163	-	3,460,735	5,332,533	6,085,149	7,193,530	3,460,735	5,332,533	6,085,149	7,193,530	3,460,735	5,332,533	6,085,149	7,193,530		
- Administrative expenses	816,420	704,880	1,181,151	704,656	17,783	3,556	31,651	23,802	(3,204)	(1,508)	(4,913)	(4,888)	6,263	-	6,263	-	840,729	727,437	1,228,558	783,152	840,729	727,437	1,228,558	783,152	840,729	727,437	1,228,558	783,152		
- Distribution and selling cost	(73,049)	(99,033)	(147,427)	(142,069)	(6,098)	(6,003)	(12,269)	(11,686)	(626)	(3,186)	(1,141)	(3,721)	-	-	-	-	(79,773)	(108,222)	(160,837)	(157,476)	(79,773)	(108,222)	(160,837)	(157,476)	(79,773)	(108,222)	(160,837)	(157,476)		
	(93,542)	(77,526)	(165,232)	(85,919)	(538)	(687)	(1,182)	(1,109)	(626)	(3,186)	(1,141)	(3,721)	(21)	(21)	(21)	(21)	(95,101)	(78,213)	(166,435)	(87,028)	(95,101)	(78,213)	(166,435)	(87,028)	(95,101)	(78,213)	(166,435)	(87,028)		
	(165,591)	(176,559)	(312,659)	(227,988)	(6,636)	(6,690)	(13,451)	(12,795)	(626)	(3,186)	(1,141)	(3,721)	(21)	(21)	(21)	(21)	(172,874)	(186,435)	(327,272)	(244,504)	(172,874)	(186,435)	(327,272)	(244,504)	(172,874)	(186,435)	(327,272)	(244,504)		
Segment results	650,829	528,321	868,492	476,668	11,147	(3,134)	18,200	11,007	(3,830)	(4,694)	(6,054)	(8,609)	6,242	-	6,242	-	667,855	541,002	901,286	538,648	667,855	541,002	901,286	538,648	667,855	541,002	901,286	538,648		
Other operating expenses																														
Finance costs																														
Other operating income																														
Share of income of associates																														
Taxation																														
Profit for the period from continuing operations	441,941	349,801	470,917	186,385	116,722	-	-	-	441,941	349,801	470,917	186,385	116,722	-	-	-	441,941	349,801	470,917	186,385	441,941	349,801	470,917	186,385	441,941	349,801	470,917	186,385		
Profit for the period from discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Profit for the period	441,941	349,801	470,917	186,385	116,722	-	-	-	441,941	349,801	470,917	186,385	116,722	-	-	-	441,941	349,801	470,917	186,385	441,941	349,801	470,917	186,385	441,941	349,801	470,917	186,385		

(Rupees in thousand)

31 March 2012	30 September 2011	31 March 2012	30 September 2011
(Rupees in thousand)			

13.3 Segment assets and liabilities

	Segment assets		Segment liabilities	
Sugar	6,719,000	3,780,620	6,663,198	6,305,698
Ethanol	1,939,918	1,393,809	1,453,223	1,094,262
Building materials	358,239	40,389	418	26,564
Power	151,966	612,387	-	-
Textile	406,477	293,020	551,071	99,457
Farms	742,893	1,035,890	14,340	83,940
Others	1,997	-	-	-
Unallocated	2,202,418	846,933	3,104,745	155,394
	12,522,908	8,003,048	11,786,995	7,765,315

Quarter ended		Half year ended	
31 March 2012	31 March 2011 (Represented)	31 March 2012	31 March 2011 (Represented)

14. Earnings per share

14.1 Basic earnings per share

Continued operations

Profit for the period from continuing operations **Rupees 441,941,000** 349,801,000 **470,917,000** 186,385,000

Weighted average number of ordinary shares in issue during the period **Number 69,523,798** 69,523,798 **69,523,798** 69,523,798

Earnings per share - basic **Rupees 6.36** 5.03 **6.77** 2.68

Discontinued operations

Profit for the period from discontinued operations **Rupees -** - - 116,722,000

Weighted average number of ordinary shares in issue during the period **Number 69,523,798** 69,523,798 **69,523,798** 69,523,798

Earnings per share - basic **Rupees -** - - 1.68

14.2 Diluted earnings per share

Diluted loss 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 profit/(loss) is adjusted to eliminate the preference dividend.

	Quarter ended		Half year ended	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
Continued operations				
Profit for the period from continuing operations	Rupees 441,941,000	349,801,000	470,917,000	186,385,000
Preference dividend on convertible preference shares	Rupees 7,327,175	7,327,175	14,654,351	14,654,351
Profit used to determine diluted earnings per shares	Rupees 449,268,175	357,128,175	485,571,351	201,039,351
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
Earnings per share - diluted	Rupees 5.97	4.74	6.45	2.67

Discontinued operations

There are no dilutive instruments in respect of discontinued operations.

15. Cash generated from operating activities

	Half year ended	
	March 2012	March 2011
	(Rupees in thousand)	
Profit before taxation	555,898	395,084
Adjustments for:		
Depreciation on / amortization on:		
- property, plant and equipment	138,298	148,529
- intangible assets	48	170
- deferred income	-	(1,502)
Profit on sale of property, plant and equipment	(23,119)	(15,458)
Profit on sale of Dargai Shah facility	-	(157,967)
Net (income) / loss from livestock	(512)	3,214
Impairment of investments classified as available for sale	-	16,379
Share of income from associates	(49,382)	(38,148)
Interest from bank deposits	(570)	(32,910)
Provision for employees' retirement benefits	6,713	4,540
Provision against doubtful advances	1,645	1,978
Provision for doubtful debts	-	248
Liabilities written back	(1,783)	(50,645)
Dividend income	(10,702)	(43,495)
Effect of revaluation loss on agricultural activities	4,486	5,729
Gain on marked to market valuation of interest rate swap	(7,811)	(58,038)
Finance cost	401,991	489,892
	459,302	272,516
Profit before working capital changes	1,014,620	667,600

	Half year ended	
	March 2012	March 2011
	(Rupees in thousand)	
Effect on cash flow due to working capital changes:		
Increase in stores and spares	(29,661)	(17,764)
Increase in stock in trade	(4,668,138)	(3,423,692)
Decrease / (Increase) in trade debts	114,075	(633,986)
Increase in biological assets	(5,202)	(9,355)
Increase in loans, advances, deposits, prepayments and other receivables	(8,420)	(124,192)
Increase in trade and other payables	3,258,037	1,869,909
	(1,339,309)	(2,339,080)
Cash used in operations	(324,689)	(1,671,480)

16. Transactions with related parties

Relationship with the company	Nature of transactions		
i. Associated undertakings	Purchase of goods and services	13,051	1,230
	Sale of goods and services	3,427	4,891
	Share of common expenses	1,589	3,001
	Health and vehicle insurance expenses	1,700	842
	Dividend income	33,371	46,216
	Advance for purchase of material	441	-
	Payments made on behalf of related parties	6,238	-
ii. Post employment benefit plans	Expense charged in respect of retirement benefit plans	9,965	6,681
	Transactions with gratuity and pension fund account		
	- Funds received	208,420	-
	- Funds repaid	208,473	-
	- Markup expense	11,952	-
	Transaction with provident fund account		
	- Fund received	-	444,931
	- Fund repaid	-	442,106
	- Markup expense	-	1,625
	iii. Key Management Personnel	Salaries and other employee benefits	45,728
		March 2012	September 2011
		(Rupees in thousand)	
Period-end balances			
Payable to related parties		7,915	9,761
Receivable from related parties		1,388	3,139

The commitments with related parties as on 31 March 2012 is Nil.

17. Date of authorization of issue

This condensed interim financial information was authorized for issue on 31 May 2012 by the Board of Directors of the Company.

18. Corresponding figures

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison and better presentation as per reporting framework. Significant re-arrangements made are as follows:

	(Rupees in thousand)
Results of operations of Farms division have been represented as follows:	
'Profit and loss for the year from discontinued operations' to 'Sales'	19,564
'Profit and loss for the year from discontinued operations' to 'Cost of sales'	34,855
'Profit and loss for the year from discontinued operations' to 'Administrative expenses'	3,720
'Profit and loss for the year from discontinued operations' to 'Other operating income'	6,797
'Profit and loss for the year from discontinued operations' to 'Finance cost'	654
Impairment losses on available for sale investments re-classified from held for disposal from 'Profit and loss for the year from discontinued operations' to 'Other operating expense'	16,379
Dividend income on available for sale investments re-classified from held for disposal from 'Profit and loss for the year from discontinued operations' to 'Other operating income'	43,495

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.



Chief Executive

Chairman