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.

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 un-audited accounts of your company for the third quarter and nine months ended 30th June 2012. Following is a review of the financial and operating performance of the company:

Overall Financial and Operational Performance

Despite the economic challenges, the Company's profit from operations for nine months ended 30th June 2012 stood at Rs 916.20 million as compared to Rs 872.64 million for the corresponding period last year. After tax profit from continuing operations improved to Rs 296.73 million as compared to Rs 245.5 million, which included Rs 143.8 million profit from discontinued operations. Overall earnings per share for the period under review have also shown improvement to Rs 4.27 as compared to Rs 3.53 in the corresponding period last year.

During the period under review, all key performance indicators have shown improvements 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 which started on 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 1,567,361 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 141,473 tons with the recovery rate at 9.01% in the corresponding period last year. The quantitative 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 7,401.33 million compared to Rs 7,817.03 million in the corresponding period. The gross profit margin decreased to 1.70% as compared to margin of 6.22 during corresponding period due to decrease in average gross selling price affecting the gross profit margin adversely.

Operating expenses were Rs 150 million as compared to Rs 156 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 71.42 million litres as compared to 47.00 million litres in the corresponding period.

Sales revenue from ethanol stood at Rs 3,217.66 million as compared to Rs 2,147.50 million in the corresponding period last year with the improved gross profit margin of 33.71% as compared to 26.74% during corresponding period.

Operating expenses were Rs 290.49 million as compared to Rs 197.47 million in corresponding period of last year. Operating expenses increased due to higher exports of ethanol. This division achieved an operating profit of Rs 794 million as compared to Rs 377 million in the corresponding period.

Timely start up of ethanol production also allowed for smooth operations of the Power Division where we generated 20.50 million units of electricity as compared to 16.83 million units during the corresponding period of last year.

Sales revenue from Power Division stood at Rs 204.72 million as compared to Rs 129.37 million in corresponding period last year with the gross profit margin increasing to 57.20% from 18.17% in previous period.

Textile Division

Sales revenue of this division was Rs 1,243.39 million compared to Rs 1,158.61 million in the corresponding period with the gross profit margin increased to 2.18% from 1.85%.

Overall production in the current period was 110,972 bags against 71,765 bags. Actual production in 20's converted was 115,339 bags against 77,155 bags.

Operating expenses stood at Rs 21.15 million for the current period under review compared to Rs 20.54 million during corresponding period.

Building Materials Division

The production performance of this division remained satisfactory at 6,824 cubic meters compared to 4,339 cubic meters during the corresponding period. Sales revenue of this division stood at Rs 82.97 million compared to Rs 31.63 million in the corresponding period.

Operating expenses stood at Rs 2.00 million for the current period under review compared to Rs 0.69 million. Operating profit of this division improved to Rs 2.96 million compared to Rs 2.41 million in the corresponding period due to higher sale volume.

Future Outlook

Performance of most of the business segments during the period under review had improved. Higher sugarcane crushing with increased sugar production provided sufficient raw material to distilleries. The 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. However, the crop position for the upcoming sugar season is dependent heavily on weather conditions. In Textile business, while cotton prices have stabilized somewhat, it is expected to contribute to the bottom line. Our Building Material Division has also improved production but higher raw material cost will adversely affect the profitability.

On behalf of the Board

Ahsan M. Saleem
Chief Executive Officer

Date: 19 July 2012

CONDENSED INTERIM BALANCE SHEET

As at 30 June 2012 (Un-Audited)

	Note	June 2012 Un-Audited	September 2011 Audited
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised 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		**956,464**	892,985
Accumulated loss		**(2,470,428)**	(2,767,168)
		(818,726)	(1,178,945)
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		**1,416,669**	1,416,678
NON-CURRENT LIABILITIES			
Long term finances	7	**599,895**	363,205
Liabilities against assets subject to finance lease		**21,062**	24,837
Employees' retirement benefits		**-**	501
		620,957	388,543
CURRENT LIABILITIES			
Current portion of long term liabilities		**1,926,080**	2,460,408
Short term borrowings - secured		**3,425,222**	2,541,813
Trade and other payables		**3,183,271**	1,245,952
Accrued finance cost		**1,180,908**	1,087,629
Provision for taxation		**3,559**	40,970
		9,719,040	7,376,772
CONTINGENCIES AND COMMITMENTS	8		
		10,937,940	8,003,048

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

Chief Executive

	Note	June 2012 Un-Audited	September 2011 Audited
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	**5,248,736**	5,241,210
Intangible assets		**1,068**	1,137
Biological assets		**8,836**	11,140
Investments - related parties	10	**714,821**	618,052
Employees' retirement benefits		**731**	1,045
Long term loans, advances, deposits and prepayments		**78,305**	45,068
		6,052,497	5,917,652
CURRENT ASSETS			
Biological assets		**28,604**	21,493
Stores, spares and loose t ools		**136,523**	106,393
Stock-in-trade		**4,111,935**	1,085,822
Trade debts		**183,886**	491,646
Investments	11	**120,043**	69,545
Loans, advances, deposits, prepayments and other receivables		**279,576**	191,328
Cash and bank balances		**24,876**	119,169
		4,885,443	2,085,396
		10,937,940	8,003,048

Chairman

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
For the Quarter and Nine Months Ended 30 June 2012 (Un-Audited)

		Quarter ended		Nine months ended	
		30 June 2012	30 June 2011	**30 June 2012**	30 June 2011
	Note	**(Rupees in thousand)**			
			(Represented)		**(Represented)**
Continuing Operations:					
Sales	13.1	3,658,845	2,301,107	10,972,552	10,278,440
Cost of sales	13.2	(3,511,224)	(1,991,179)	(9,596,373)	(9,183,382)
Gross profit		147,621	309,928	1,376,179	1,095,058
Administrative expenses		(78,002)	(58,129)	(238,839)	(217,583)
Distribution and selling costs		(64,638)	(75,275)	(231,073)	(162,303)
Other operating expenses		(17,936)	(8,168)	(74,414)	(28,605)
Other operating income		21,224	46,659	84,342	186,074
Profit from operations		8,269	215,015	916,195	872,641
Finance cost		(214,495)	(273,420)	(616,486)	(717,948)
Share of income from associates		72,830	15,726	122,793	53,874
Profit / (loss) before taxation		(133,396)	(42,679)	422,502	208,567
Taxation					
- Company		(36,598)	(10,930)	(109,415)	(90,596)
- Associates		(4,192)	(3,973)	(16,356)	(16,284)
		(40,790)	(14,903)	(125,771)	(106,880)
Profit / (loss) for the period from continuing operations		(174,186)	(57,582)	296,731	101,686
Discontinued Operations:					
Profit for the period from discontinued operations	12	-	8,482	-	143,838
Profit / (loss) for the period		(174,186)	(49,100)	296,731	245,524

Earnings/(loss) per share from continuing and discontinued operations

Basic earnings per share						
- From continuing operations	Rupees	14	(2.51)	(0.83)	4.27	1.46
- From discontinued operations	Rupees	14	-	0.12	-	2.07
- From profit/(loss) for the period	Rupees		(2.51)	(0.71)	4.27	3.53
Diluted earnings per share						
- From continuing operations	Rupees	14	(2.51)	(0.83)	4.23	1.46
- From discontinued operations	Rupees	14	-	0.12	-	2.07
- From profit/(loss) for the period	Rupees		(2.51)	(0.71)	4.23	3.53

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 Nine Months Ended 30 June 2012 (Un-Audited)

	Quarter ended		Nine months ended	
	30 June 2012	30 June 2011	**30 June 2012**	30 June 2011
	(Rupees in thousand)			
Profit /(loss) for the period	(174,186)	(49,100)	296,731	245,524
Other comprehensive income				
Fair value gain / (loss) on 'Available for sale' investments	35,089	22,414	60,661	(46,405)
Impairment loss transferred to profit and loss account	-	-	-	16,379
	35,089	22,414	60,661	(30,026)
Share of other comprehensive income of associates	1,127	433	2,818	726
Transfer from surplus on revaluation of property, plant and equipment on account of				
- incremental depreciation - net of tax	9	6	9	15
- disposal of land - net of tax	-	-	-	50,571
	9	6	9	50,586
Other comprehensive income for the period	36,225	22,853	63,488	21,286
Total comprehensive income / (loss) for the period	(137,961)	(26,247)	360,219	266,810

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 Nine Months Ended 30 June 2012 (Un-Audited)

	Note	**Nine months ended**	
		June 2012	June 2011
		(Rupees in thousand)	
Cash flows from operating activities			
Cash used in operations	15	186,537	(1,156,001)
Finance cost paid		(447,956)	(497,086)
Taxes paid		(146,826)	(55,930)
Employees' retirement benefits paid		(10,257)	(7,017)
Net (increase)/decrease in long term advances, loans, deposits and prepayments		(33,237)	4,196
Net cash used in operating activities		(451,739)	(1,711,839)
Cash flows from investing activities			
Fixed capital expenditure		(253,802)	(116,181)
Dividend received		33,371	46,215
Income from bank deposits received		12,395	284
Sale proceeds from sale of livestock		1,533	3,387
Sale proceeds from sale of Dargai Shah Facility		-	478,000
Sale proceeds from sale of property, plant and equipment		57,205	66,966
Net cash (used in) / generated from investing activities		(149,298)	478,671
Cash flows from financing activities			
Repayment of long term finances		(536,190)	(172,812)
Net increase in short term borrowings - secured		1,064,409	1,582,074
Dividend paid		-	(2)
Finance lease liabilities - net		(21,474)	(185,568)
Net cash generated from financing activities		506,744	1,223,692
Net (decrease) / increase in cash and cash equivalents		(94,293)	(9,476)
Cash and cash equivalents at the beginning of the period		119,169	33,514
Cash and cash equivalents at the end of the period		24,876	24,038

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 Nine Months Ended 30 June 2012 (Un-Audited)

(Rupees in thousand)

			Capital Reserve				Revenue Reserve						
	Share Capital	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	Accumulated (loss) / profit	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	516,306	969,241	(2,870,871)	(1,206,392)
Total comprehensive income for the period ended 30 June 2011													
Profit for the period	-	-		-	-	-	-	-	-	-	-	245,524	245,524
Other comprehensive income (loss) for the period Fair value loss on 'Available for sale' investments	-	-	-	(30,026)	-	(30,026)	-	-	-	-	(30,026)	-	(30,026)
Share of other comprehensive income of associates	-	-	726	-	-	726	-	-	-	-	726	-	726
Transfer from surplus on revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	50,586	50,586
	-	-	726	(30,026)	-	(29,300)	-	-	-	-	(29,300)	50,586	21,286
Total comprehensive income / (loss) for the period	-	-	726	(30,026)	-	(29,300)	-	-	-	-	(29,300)	296,110	266,810
Total contributions by and distributions to owners of the Company recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as on 30 June 2011	695,238	243,282	14,047	10,376	155,930	423,635	410,606	22,700	83,000	516,306	939,941	(2,574,761)	(939,582)
Balance as on 30 September 2011	695,238	243,282	15,904	(38,437)	155,930	376,679	410,606	22,700	83,000	516,306	892,985	(2,767,168)	(1,178,945)
Total comprehensive income for the period ended 30 June 2012													
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	296,731	296,731
Other comprehensive income for the period Fair value gain on 'Available for sale' investments	-	-	-	60,661	-	60,661	-	-	-	-	60,661	-	60,661
Share of other comprehensive income of associates	-	-	2,818	-	-	2,818	-	-	-	-	2,818	-	2,818
Transfer from surplus on revaluation of property, plant and equipment												9	9
	-	-	2,818	60,661	-	63,479	-	-	-	-	63,479	9	63,488
Total comprehensive income for the period	-	-	2,818	60,661	-	63,479	-	-	-	-	63,479	296,740	360,219
Total contributions by and distributions to owners of the Company recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as on 30 June 2012	695,238	243,282	18,722	22,224	155,930	440,158	410,606	22,700	83,000	516,306	956,464	(2,470,428)	(818,726)

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 Nine Months Ended 30 June 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 4,834 million (30 September 2011: Rs 5,291 million) , the equity has been eroded and stands at negative Rs 819 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 2,321 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 46.997 million liters in last period t0 71.418 million liters in current period.

To date the Company has repaid Rs 1,407 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 current period the Company also settled its lease liability of Rs 21.47 million to different banks, leasing companies, modarbas.

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 120-180 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 and The Bank of Punjab Rs 200 million and Bank Alfalah Rs 100 million. The facilities have been obtained against pledge of sugar/ethanol/molasses 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 some relaxations from its lenders in view of its above mentioned proposal. To date the Company has been able to restructure/reschedule Rs 565 million of various over-due borrowings from MCB Bank Limited, Rs 175.48 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 and Habib Bank Limited, Bridge finance of Rs 57 million to long term loans with relaxation in payment terms and accrued mark up of Rs 23.32 million. 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 have 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 finds 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. 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 1 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 1 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 1 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 recognise 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 July2012
IAS 12 - Income Tax	01 January 2012
IAS 19 - Employee benefits	01 July2012
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 last quarter than the first nine months.

6. Taxation

The provision for taxation for the nine months ended 30 June 2012 has been made on an estimated basis.

		June 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		312,817	472,999
Add: Effective interest on loans from chief executive and key management personnel		-	7,265
		3,106,979	3,216,331
Less: Repayments during the period		(592,756)	(422,170)
		2,514,223	2,794,161
Less: Current portion shown under current liabilities	- note 7.1	(1,914,328)	(2,430,956)
		599,895	363,205

7.1 The aggregate current portion of Rs 1,914 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 30 June 2013. However, as the Company could not repay on a timely basis the installments due uptill the period ended 30 June 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 118.381 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 finalisation of restructured terms of payments with all lenders, the Company has not recognised penalties of Rs 421.364 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: 20 million).

(iii) Contracts for other than capital expenditures Rs 5.63 million (30 September 2011: 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:

		June 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		**4,856,351**	4,878,818
- Leased assets		**69,788**	90,230
	- note 9.1	**4,926,139**	4,969,048
Capital work in progress		**322,597**	272,162
		5,248,736	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	- note 9.1.1	**203,372**	139,072
Add: Reclassified from non-current assets held for disposal		**-**	1,065,587
		5,172,420	5,588,185
Less: Disposals during the period / year (at book value)		**35,429**	(222,798)
Depreciation charged during the period / year		**210,852**	(298,818)
Effect of revaluation during the period / year		**-**	(97,521)
		246,281	(619,137)
Closing book value		**4,926,139**	4,969,048

		June 2012	September 2011
		(Rupees in thousand)	

9.1.1 Addition during the period/year

	June 2012	September 2011
Freehold Land	**1,670**	1,061
Buildings and roads on freehold land	**16,279**	9,385
Plant and machinery	**132,521**	70,338
Tools and equipments	**4,056**	424
Laboratory equipments	**3,465**	479
Office equipments	**6,793**	2,245
Water, electric and weighbridge equipment	**2,853**	1,771
Furniture and fixtures	**5,401**	15,373
Vehicles	**30,238**	37,625
Arms and ammunition	**-**	243
Library books	**96**	128
	203,372	139,072

10. Investments - related parties

		June 2012	September 2011
In equity instruments of associates	- note 10.1	**630,473**	543,867
Available for sale	- note 10.3	**84,348**	74,185
		714,821	618,052

10.1 In equity instruments of associates

		June 2012	September 2011
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		**2,818**	2,583
Share of profit for the period / year			
- before taxation		**122,793**	55,893
- provision for taxation		**(16,356)**	(25,737)
		106,437	30,156
		653,122	549,307
Dividend received during the period / year		**(22,649)**	(5,440)
Balance as at period / year end	- note 10.2	**630,473**	543,867

	March 2012	September 2011
	(Rupees in thousand)	
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%)	**196,423**	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%)	**132,146**	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%)	**301,902**	257,443
	630,473	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 30 June 2012					
Crescent Steel and Allied Products Limited	**4.82%**	**255,390**	**(70,590)**	**148,266**	**12,696**
Safeway Mutual Fund Limited	**30.45%**	**218,032**	**(762)**	**38,257**	**49,416**
Shakarganj Food Products Limited	**49.24%**	**668,702**	**(438,062)**	**1,311,539**	**44,325**
		1,142,124	**(509,414)**	**1,498,062**	**106,437**

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 unaudited condensed interim consolidated financial information and unaudited condensed interim financial information as at 31 March 2012.

10.2.5 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.

		June 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	**27,488**	17,325
Less: Cumulative impairment losses recognized	- note 10.3.4	**(93,257)**	(93,257)
Fair value loss		**(65,769)**	(75,932)
		84,348	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

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

	June 2012	September 2011
	(Rupees in thousand)	

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	**10,163**	(4,207)
	27,488	7,578
Impairment loss transferred to profit and loss account	-	9,747
As at period / year end	**27,488**	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 831.389 million (30 September 2011: Rs 795.489 million) are pledged as security against long term running finances and short term borrowings.

		June 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	**(5,264)**	(55,762)
		120,043	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
Add: Cumulative fair value loss	**(5,264)**	(55,762)

11.2 Cumulative fair value loss

As at 1 October	**(55,762)**	18,669
Fair value gain / (loss) during period / year	**50,498**	(74,431)
As at period / year end	**(5,264)**	(55,762)

11.3 Investments with face value of Rs 124.66 million (30 September 2011: Rs 124.66 million) and market value of Rs 119.424 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 Humza Sugar Mills Limited was signed on 3 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		Nine months ended	
	30 June 2012	30 June 2011	**30 June 2012**	30 June 2011
	(Rupees in thousand)			
Analysis of the result of discontinued operations				
Satellite facility at Dargai Shah 12.1	-	-	-	116,722
Investment in associates	-	8,482	-	27,116
	-	8,482	-	143,838
12.1 Analysis of the results of discontinued operations				
Sales	-	-	-	-
Other operating Income	-	-	-	157,913
	-	-	-	157,913
Expenses				
Cost of sales	-	-	-	-
Administrative expenses	-	-	-	(5,649)
Distribution and selling expenses	-	-	-	(30)
Other operating expenses	-	-	-	(35,511)
Finance Cost	-	-	-	(1)
	-	-	-	(41,191)
Profit before taxation	-	-	-	116,722
Taxation	-	-	-	-
Profit after taxation	-	-	-	116,722

	Nine months ended	
	June 2012	June 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)
Total cash flows	-	(24)

13. Segments information

(Rupees in thousand)

	Sugar				Ethanol				Building materials				Textile				Sub-total carried forward			
	Quarter ended		Nine months ended		Quarter ended		Nine months ended		Quarter ended		Nine months ended		Quarter ended		Nine months ended		Quarter ended		Nine months	
	June 2012	June 2011	**June 2012**	June 2011	**June 2012**	June 2011	**June 2012**	June 2011	**June 2012**	June 2011	**June 2012**	June 2011	**June 2012**	June 2011	**June 2012**	June 2011	**June 2012**	June 2011	**June 2012**	June 2011
13.1 Sales																				
- External	2,342,253	988,427	6,187,591	6,889,892	761,442	1,224,975	3,217,655	2,147,495	19,648	10,898	82,966	31,628	430,378	50,625	1,243,394	1,158,611	3,553,722	2,274,925	10,731,607	10,227,626
- Intersegment	243,928	151,838	1,213,741	927,143	-	-	-	-	-	-	-	-	-	-	-	-	243,928	151,838	1,213,741	927,143
	2,586,181	1,140,265	7,401,332	7,817,035	761,442	1,224,975	3,217,655	2,147,495	19,648	10,898	82,966	31,628	430,378	50,625	1,243,394	1,158,611	3,797,650	2,426,763	11,945,348	11,154,769
13.2 Segment expenses																				
Cost of sales																				
- Net of intersegment costs	2,644,528	1,179,058	7,272,120	7,299,605	389,871	722,498	969,303	688,493	3,708	114	31,703	(10,555)	430,000	52,722	1,193,568	1,066,922	3,468,107	1,954,392	9,466,694	9,044,465
- Intersegment costs	-	194	3,392	31,526	227,493	158,397	1,163,603	884,812	19,937	10,041	46,299	39,081	4,928	264	22,725	70,248	252,357	168,896	1,236,018	1,025,667
	2,644,528	1,179,252	7,275,512	7,331,131	617,364	880,895	2,132,906	1,573,305	23,645	10,155	78,002	28,526	434,928	52,986	1,216,293	1,137,170	3,720,464	2,123,288	10,702,712	10,070,132
Gross profit / (loss)	(58,347)	(38,987)	125,820	485,904	144,078	344,080	1,084,749	574,190	(3,997)	743	4,964	3,102	(4,550)	(2,361)	27,101	21,441	77,186	303,475	1,242,636	1,084,637
- Administrative expenses	(43,647)	(25,746)	(139,393)	(147,061)	(24,455)	(26,136)	(72,487)	(45,257)	(631)	(243)	(1,869)	(675)	(7,143)	(7,373)	(19,411)	(19,054)	(75,876)	(59,498)	(233,160)	(212,047)
- Distribution and selling cost	(4,094)	(2,934)	(10,837)	(8,469)	(59,798)	(71,947)	(218,006)	(152,216)	(42)	(2)	(137)	(17)	(561)	(378)	(1,743)	(1,487)	(64,495)	(75,261)	(230,723)	(162,189)
	(47,741)	(28,680)	(150,230)	(155,530)	(84,253)	(98,083)	(290,493)	(197,473)	(673)	(245)	(2,006)	(692)	(7,704)	(7,751)	(21,154)	(20,541)	(140,371)	(134,759)	(463,883)	(374,236)
Segment results	(106,088)	(67,667)	(24,410)	330,374	59,825	245,997	794,256	376,717	(4,670)	498	2,958	2,410	(12,254)	(10,112)	5,947	900	(63,185)	168,716	778,753	710,401

13. Segments information

(Rupees in thousand)

13.1 Sales / 13.2 Segment expenses

	Sub-total brought forward				Farms				Power			
	Quarter ended		Nine months ended		Quarter ended		Nine months ended		Quarter ended		Nine months ended	
	June 2012	June 2011	**June 2012**	June 2011	**June 2012**	June 2011	**June 2012**	June 2011	**June 2012**	June 2011	**June 2012**	June 2011
13.1 Sales												
- External	3,553,722	2,274,925	10,731,607	10,227,626	14,920	(815)	31,080	13,872	66,645	26,997	173,881	36,942
- Intersegment	243,928	151,838	1,213,741	927,143	-	-	3,392	10,596	14,766	16,303	30,836	92,424
	3,797,650	2,426,763	11,945,348	11,154,769	14,920	(815)	34,472	24,468	81,411	43,300	204,717	129,366
13.2 Segment expenses												
Cost of sales												
- Net of intersegment costs	3,468,107	1,954,392	9,466,694	9,044,465	12,151	9,548	36,615	37,547	19,724	27,239	75,659	101,370
- Intersegment costs	252,357	168,896	1,236,018	1,025,667	-	-	-	-	6,336	(560)	11,951	4,496
	3,720,464	2,123,288	10,702,712	10,070,132	12,151	9,548	36,615	37,547	26,060	26,679	87,610	105,866
Gross profit / (loss)	77,186	303,475	1,242,636	1,084,637	2,769	(10,363)	(2,143)	(13,079)	55,351	16,621	117,107	23,500
- Administrative expenses	(75,876)	(59,498)	(233,160)	(212,047)	(583)	1,531	(1,724)	(4,167)	(1,506)	(162)	(3,917)	(1,369)
- Distribution and selling cost	(64,495)	(75,261)	(230,723)	(162,189)	-	-	-	-	(143)	(14)	(328)	(114)
	(140,371)	(134,759)	(463,883)	(374,236)	(583)	1,531	(1,724)	(4,167)	(1,649)	(176)	(4,245)	(1,483)
Segment results	(63,185)	168,716	778,753	710,401	2,186	(8,832)	(3,867)	(17,246)	53,702	16,445	112,862	22,017

	Others				Total			
	Quarter ended		Nine months ended		Quarter ended		Half year ended	
	June 2012	June 2011	**June 2012**	June 2011	**June 2012**	June 2011	**June 2012**	June 2011
13.1 Sales								
- External	23,559	-	35,985	-	3,658,845	2,301,107	10,972,552	10,278,440
- Intersegment	-	-	-	-	-		-	-
	23,559	-	35,985	-	3,658,845	2,301,107	10,972,552	10,278,440
13.2 Segment expenses								
Cost of sales								
- Net of intersegment costs	11,241	-	17,404	-	3,511,223	1,991,179	9,596,373	9,183,382
- Intersegment costs	-	-	-	-	-		-	-
	11,241	-	17,404	-	3,511,223	1,991,179	9,596,373	9,183,382
Gross profit / (loss)	12,318	-	18,581	-	147,623	309,928	1,376,179	1,095,058
- Administrative expenses	(38)	-	(38)	-	(78,003)	(58,129)	(238,839)	(217,583)
- Distribution and selling cost	(1)	-	(22)	-	(64,639)	(75,275)	(231,073)	(162,303)
	(39)	-	(60)	-	(142,642)	(133,404)	(469,912)	(379,886)
Segment results	12,279	-	18,521	-	4,981	176,524	906,267	715,171
Other operating expenses					(17,936)	(8,168)	(74,414)	(28,605)
Finance Costs					(214,495)	(273,420)	(616,486)	(717,948)
Other Operating Income					21,224	46,659	84,342	186,074
Share of income of associates					72,830	15726	122,793	53,874
Taxation					(40,790)	(14,903)	(125,771)	(106,880)
Profit / (loss) for the period from continuing operation					(174,186)	(57,582)	296,731	101,686
Profit for the period from discontinued operations					-	8,482	-	143,838
Profit / (loss) for the period					(174,186)	(49,100)	296,731	245,524

Inter-segment sales & purchases have been eliminated from total figures.

Finance cost, other operating expenses & incomes are allocated on the basis of net sale of each division except textile

	30 June 2012	30 September 2011	30 June 2012	30 September 2011
		(Rupees in thousand)		

13.3 Segment assets and liabilities

	Segment assets		Segment liabilities	
Sugar	5,952,000	3,780,620	5,813,198	6,305,698
Ethanol	1,904,918	1,393,809	1,421,123	1,094,262
Building materials	358,239	40,389	418	26,564
Power	151,966	612,387	-	-
Textile	396,509	293,020	499,071	99,457
Farms	725,893	1,035,890	13,766	83,940
Others	1,997	-	-	-
Unallocated	1,446,418	846,933	2,592,421	155,394
	10,937,940	8,003,048	10,339,997	7,765,315

14. Earnings /(loss) per share

14.1 Basic earnings/(loss) per share

		Quarter ended		Nine months ended	
		30 June 2012	30 June 2011 (Represented)	30 June 2012	30 June 2011 (Represented)
Continued operations					
Profit for the period from continuing operations	**Rupees**	(174,186,000)	(57,582,000)	296,731,000	101,686,000
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/(loss) per share - basic	**Rupees**	(2.51)	(0.83)	4.27	1.46
Discontinued operations					
Profit for the period from discontinued operations	**Rupees**	-	8,482,000	-	143,838,000
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**	-	0.12	-	2.07

14.2 Diluted earnings/(loss) 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		Nine months ended	
		30 June 2012	30 June 2011	**30 June 2012**	30 June 2011
Continued operations					
Profit for the period from continuing operations	**Rupees**	(174,186,000)	(57,582,000)	296,731,000	101,686,000
Preference dividend on convertible preference shares	**Rupees**	7,327,175	7,327,175	21,981,526	21,981,526
Profit used to determine diluted earnings per shares	**Rupees**	(166,858,825)	(50,254,825)	318,712,526	123,667,526
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/(loss) per share - diluted	**Rupees**	(2.22)	(0.67)	4.23	1.64
Restricted to basic earning/(loss) per share in case of anti-dilution	**Rupees**	(2.51)	(0.83)	4.23	1.46

Discontinued operations

There are no dilutive instruments in respect of discontinued operations

	Nine months ended	
	June 2012	June 2011
	(Rupees in thousand)	
15. Cash generated from operating activities		
Profit before taxation	422,502	352,405
Adjustments for:		
Depreciation on / amortization on:		
- property, plant and equipment	210,849	221,435
- intangible assets	69	259
- deferred income	-	(2,245)
Profit on sale of property, plant and equipment	(21,776)	(12,600)
Profit on sale of Dargai Shah facility	-	(157,967)
Net (income) / loss from livestock	230	3,454
Impairment of investments classified as available for sale	-	16,379
Share of income from associates	(122,793)	(53,874)
Interest from bank deposits	(629)	(32,910)
Provision for employees' retirement benefits	10,070	5,675
Provision against doubtful advances	1,645	1,978
Provision for doubtful debts	-	248
Liabilities written back	(1,783)	(50,645)
Dividend income	(10,722)	(43,495)
Effect of revaluation loss on agricultural activities	(1,173)	
Gain on marked to market valuation of interest rate swap	(7,811)	(58,038)
Finance cost	616,486	763,312
	672,662	600,966
Profit before working capital changes	1,095,164	953,371

	Nine months ended	
	June 2012	June 2011
	(Rupees in thousand)	
Effect on cash flow due to working capital changes:		
Increase in stores and spares	(30,130)	(17,786)
Increase in stock in trade	(3,026,113)	(2,943,468)
Decrease / (Increase) in trade debts	307,760	(252,465)
Increase in biological assets	(5,397)	(7,543)
Increase in loans, advances, deposits, prepayments and other receivables	(101,659)	17,550
Increase in trade and other payables	1,946,912	1,094,340
	(908,627)	(2,109,372)
Cash used in operations	186,537	(1,156,001)

16. Transactions with related parties

Relationship with the company	Nature of transactions		
i. Associated undertakings	Purchase of goods and services	127,180	1,395
	Sale of goods and services	5,901	4,891
	Share of common expenses	2,357	4,372
	Health and vehicle insurance expenses	2,969	1,304
	Dividend income	33,371	48,936
	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	12,763	5,540
	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	-	581,725
	- Fund repaid	-	570,007
	- Markup expense	-	2,320
iii. Key Management Personnel	Salaries and other employee benefits	57,135	32,274

	June 2012	September 2011
	(Rupees in thousand)	
Period-end balances		
Payable to related parties	5,680	1,338
Receivable from related parties	3,865	5,089

The commitments with related parties as on 30 June 2012 is Nil.

17. Date of authorization of issue

This condensed interim financial information was authorised for issue on 19 July 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'	18,749
'Profit and loss for the year from discontinued operations' to 'Cost of sales'	44,403
'Profit and loss for the year from discontinued operations' to ' Administrative expenses'	2,189
'Profit and loss for the year from discontinued operations' to 'Other operating income'	7,365
'Profit and loss for the year from discontinued operations' to 'Finance cost'	976

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