

CONDENSED INTERIM REPORT
FOR THE HALF YEAR ENDED
31 MARCH 2021



Shakarganj
Limited

growing
together



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VISION MISSION & CORE VALUES

To gain and maintain leadership in our relevant sectors by producing the best quality products at the lowest possible cost

To give the best returns to our shareholders by optimal allocation of resources to the products and markets we compete in

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

To provide the best working environment to our employees and provide them opportunities to enhance their skills

To work with our farmers, suppliers, and distributors as partners in developing their expertise and profitability

To pursue environment friendly policies, and effectively and efficiently use all energy resources aiming for zero waste and a clean healthy environment

To be a socially responsible corporate citizen supporting education, health, environment, and socio economic development of its community

COMPANY INFORMATION

Board of Directors

1. Chairman (Non-Executive)	Mian Muhammad Anwar
2. Chief Executive Officer	Anjum Muhammad Saleem
In alphabetic order:	
3. Executive Director	Ali Altaf Saleem
4. Non-Executive Director	Javed Anjum
5. Non-Executive Director	Khalid Bashir
6. Non-Executive Director	Muhammad Amin Pal
7. Non-Executive Director (Independent)	Sheikh Asim Rafiq
8. Non-Executive Director (Independent)	Zahra Ahsan Saleem

Audit Committee

Chairman	Sheikh Asim Rafiq (Independent)
Member	Javed Anjum
Member	Khalid Bashir
Member	Zahra Ahsan Saleem (Independent)

Human Resource & Remuneration Committee

Chairperson	Zahra Ahsan Saleem (Independent)
Member	Anjum Muhammad Saleem
Member	Khalid Bashir
Member	Mian Muhammad Anwar

Chief Financial Officer

Muhammad Asif

Company Secretary

Asif Ali

Management Committees

Executive Committee

Chairman	Anjum Muhammad Saleem
	Ali Altaf Saleem
	Muhammad Pervez Akhtar

Business Strategy Committee

Chairman	Anjum Muhammad Saleem
	Ali Altaf Saleem
	Muhammad Pervez Akhtar
	Muhammad Asif
	Manzoor Hussain Malik

System & Technology Committee

Chairman	Muhammad Pervez Akhtar
	Muhammad Asif
	Ibrahim Ahmad Cheema

SHAREHOLDERS' INFORMATION

Stock Exchange Listing

Shakarganj Limited is a listed company and its shares are traded on the Pakistan Stock Exchange. Daily quotes on the Company's stock can be obtained from leading newspapers. Shakarganj is listed under 'Sugar & Allied Industries'

Public Information

Financial analysts, Stock brokers, interested investors and financial media desiring information about "Shakarganj" should contact

Mr. Asif Ali
at the Company's Office, Jhang.
Tel: (047) 763 1001 – 05
Fax: (047) 763 1011
E-mail: info@shakarganj.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) 3517 0336 – 7
Fax: (042) 3517 0338
E-mail: info@corptec.com.pk

Products

- Sugar
- Biofuel
- Yarn
- Tiger Compost

Legal Advisor

Saad Rasool Law Associates
Hassan & Hassan Advocates

Auditors

Riaz Ahmad & Company
Chartered Accountants

Bankers

MCB Bank Limited
National Bank of Pakistan
Bank Islami Pakistan Limited

Works

Principal Facility

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

Satellite Facility

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

Website

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

Registered and Principal Office

Executive Floor, IT Tower, 73 E 1
Hali Road, Gulberg III, Lahore, Pakistan
UAN: (042) 111 111 765
Tel: (042) 3578 3801-06
Fax: (042) 3578 3811

Karachi Office

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

Faisalabad Office

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

Share Registrar

CorpTec Associates (Pvt) Limited
503-E, Johar Town, Lahore
Tel: (042) 3517 0336 – 7
Fax: (042) 3517 0338
E-mail: info@corptec.com.pk

COMPANY PROFILE AND GROUP STRUCTURE

Shakarganj Limited was incorporated in Pakistan in 1967 as a Public Limited Company and is listed on the Pakistan Stock Exchange. Shakarganj is a leading manufacturer of food products, biofuel, as well as textiles. We transform renewable crops such as sugarcane and cotton into value added products including refined sugar, biofuel and textiles etc. Our registered office is in Lahore with regional offices in Faisalabad and Karachi.

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

Sugar Business:

We have two manufacturing facilities, which are both located in District Jhang. We produce different types of sugar comprising pharmaceutical, beverage and commercial grades sugar as well as soft brown sugar, castor and icing sugar, sugar cubes, sachets and retail packs. Our combined crushing capacity is of 16,000 Tons of Cane per Day (TCD) which is extendable to 20,000 TCD.

Biofuel Business:

We have six distillation plants of which three are located at our Jhang facility and the remaining three are located at our Bhone facility where various grades of biofuel are produced. Our products include Rectified Ethanol (REN) for industrial and food grades, Anhydrous Ethanol for fuel grade, and Extra Neutral Alcohol (ENA) for pharmaceutical and perfume grades. The combined capacity of our distilleries is 350,000 litres per day.

Textile Business:

This cotton spinning unit produces carded cotton and PC yarn ranging from 10/s to 33/s. The installed capacity is 24,960 spindles for cotton spinning.

Farming & Allied Business:

This comprises different parcels of land mainly located in Jhang District near our manufacturing facilities. Total area under cultivation is 1,285 acres which is our owned land. 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 around 200 milking and fattening cattle. Shakarganj has also launched a new product in the area of non chemicals fertilizers under the brand name of "Shakarganj Tiger Compost". The product as organic fertilizer has been developed using aerobic decomposition process with addition of standardised microbial culture in filter cake. The compost is a rich source of organic matter, with macro and micro nutrients to help improve soil and it is very useful for better growth, yield and quality of all field crops in general and specifically for sugarcane. This is at its initial stage and would grow up in the farmer's community with the practical exposures.

Business Vision and Strategy:

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

- Serve our Customers:

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

- Operate Efficiently and Safely:

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

- Invest in Long Term Assets and Partnerships:

We continually evaluate investment opportunities that would add strategic value by enabling us to enter new markets or add products, technologies and knowledge more efficiently than we could originally. We also aim to grow our business by forming joint ventures and partnerships to enhance the capabilities of our existing product portfolio. Using alliances and joint ventures can be an efficient way to lower our cost of investing in new areas and markets, and will help secure access to new and complementary technology and expertise.

- Invest in Technology and People:

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

- Grow the Contribution from Value Added Products:

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

SFPL comprises of three divisions – Dairy, Juice and Pulp & Concentrates. The Dairy and Juice division uses Tetra Pak packages to deliver UHT dairy and beverage products to the local market. The Pulp & Concentrate division produces fruit pulps, concentrates and purees for sale in both the Pakistan and International market. Our aim is to supply premium quality food products to our customers and become one of the leading food companies in Pakistan.

DAIRY & JUICE DIVISION

Shakarganj entered into the dairy business in 2006 with the introduction of its brand “**good milk**”. Since then it has expanded with a diverse product portfolio in both the dairy and beverage category including UHT white milk, flavoured milk as well as a wide range of juices and nectars. The company has been able to leverage the Shakarganj name in the farming community to establish its milk collection network thereby developing a strong, sustainable and shared value based supply chain for the business function. The company sells its products throughout the country via a nationwide distribution network.

DAIRY & JUICE PLANT

- Processing and packaging plant located at Jaranwala.
- Machinery from internationally renowned companies such as Tetra Pak.
- Well-equipped, state of the art of laboratory and testing facility at the plant run by a team of technically skilled and experienced staff.
- Research facility for new product development.
- International and domestic quality certifications: HACCP, PSQCA, PFA and HILAL

MILK PROCUREMENT NETWORK

- Well established network of milk collection centers at prime locations in Pakistan.

- Collection centres run by highly skilled and experienced staff members.
- Quality procurement ensured by well-equipped laboratory and advanced testing facility.
- Advisory services provided by technical team to facilitate higher yield and enhanced milk quality to support the farming community

PULP & CONCENTRATE DIVISION

Shakarganj has significant capabilities regarding the production of fruit pulps and purees. It is one of the leading manufacturers in Pakistan and has a significant volume of exports to Europe, the Middle East, Africa and Far East. Our manufacturing and processing facility is located in the heart of the agricultural and fruit producing region of Pakistan; giving our customers an advantage in terms of product freshness, continuity of fruit supply and reduced ‘time to market’.

- Plant is located at Chiniot.
- Two processing lines for production of juice concentrates, puree and pulps.
- Product storage facilities consist of both, a refrigerated and frozen setup.
- Technically skilled and experienced manpower.
- Well-equipped laboratory and testing facilities ensure effective quality assurance according to international standards.
- International quality certifications: Food Safety System Certification 22000

DIRECTORS' REPORT

The directors of your company are pleased to present the condensed interim financial statements of the Company and the Group for the half year ended 31 March 2021.

Financial and Operational Performance:

Earlier start of crushing campaign by 10 days as to previous season enabled Shakarganj to increase its crushing and during the period under review Company was able to crush 1,006,075 MT of sugarcane as compared to 884,724 MT in the corresponding period. However, again, this year growers were not willing to sell sugarcane at the rate fixed by the Punjab Government. It was requested by the mills and agreed by the government to eliminate the involvement of the middleman in the sugarcane supply chain, the same could not be implemented. Middleman was freely dealing in sugarcane and in order to secure high prices, created shortage of sugarcane and non-availability of sugarcane kept sugarcane prices on the rise throughout the crushing season. As a result, huge cost escalation was experienced, which reduced the margins. Sugarcane prices in the market at the peak of the season were increased unproportionally and the procurement was being made even at the rate more than Rs. 350 per 40 kg. This increased the average sugarcane cost for Shakarganj more than Rs. 250 per 40 kg.

Unpredictable and inconsistent policies and actions of the Government impacted negatively for all the stakeholders in sugar industry. Government formed the sugar inquiry commission to investigate the reasons for price hike but as a result of this report, prices were further increased and facts & figures reported by the commission could not prove true in the scenario created subsequent to the report. Although the intention of the Government was not bad but the methodology adopted so far is not proper. The Government should have engaged the sugar industry to find the solution of the problems but it is unfortunate that instead of engaging stakeholders throughout the sugar supply chain, the Government engaging in coercive measures against the sugar mills. Moreover, upon Government directions, Federal Board of Revenue started opening up the assessment cases of sugar mills in both income tax and sales tax areas and creating huge demands of billions of rupees even on very trivial and illogical grounds which would probably increase unnecessary litigations at large scale in future.

Our distilleries operations were also started partially with meager procurement of molasses but not on the largescale basis. Prices of raw material in our core areas of sugar and biofuel increased constantly which rendered the bottom line in negative. In spite of increase in the selling prices of sugar, the Company incurred an overall after-tax loss of Rs. 798.80 million as compared to after tax loss of Rs. 398.98 million in the corresponding period of last year.

During the half year ended 31 March 2021, Company's overall sales revenue stood at Rs. 7,383.3 million (HY20: Rs. 4,942.9 million). During the period gross loss of the Company was Rs. 280.8 million as compared to gross loss of Rs. 392.9 million in corresponding period last year. The Company's loss before tax was Rs. 676.75 million as compared to loss before tax of Rs. 415.23 million in the corresponding period.

Business Segments:

Sugar Division:

Sugar Division revenue net of tax for the first half of Fiscal 2021 was Rs. 6,415.9 million and inter-segment sale of this division was Rs. 484.7 million as against net sales revenue of Rs. 4,446.7 million and inter-segment sale of Rs. 710.1 million during corresponding period of last year. The Sugar

Division crushed 1,006,075 MT (HYFY20: 884,724 MT) of sugarcane to produce 91,837 MT (HYFY20: 77,560 MT) of sugar at an average recovery rate of 9.13 percent (HYFY20: 8.76 percent). Sugar recovery was improved during the period under review.

Due to earlier start and increase in sale price of sugar at the start of the season, the production and sales were significantly increased as to corresponding period of last year. However, due to stiff competition raw material cost was increased which resulted gross loss of 3.70% during the current period, compared to gross loss of 5.62% during the corresponding period of last year. The bottom-line resulted in loss before tax of Rs. 448.4 million as compared to loss before tax of Rs. 455.0 million for the corresponding period last year.

Biofuel Division:

Net sales revenue of Biofuel Division during the period amounted to Rs. 320.8 million with inter segment sale of Rs. 2.4 million as compared to net sales revenue of Rs. 1.3 million with inter segment sale of Rs. 25.9 million during last period. Gross loss for the period stood at Rs. 16.1 million as compared to loss of Rs. 85.0 million in corresponding period last year. The bottom-line resulted in loss before tax of Rs. 63.14 million as compared to loss before tax of Rs. 126.75 million for the corresponding period last year. The production of this division decreased to 5.62 million litres (HYFY20: 7.21 million litres). Biofuel operations were late started during the period under review and the Company started its exports as well.

Textile Division:

Textile Division revenue was increased significantly to Rs. 610.8 million as compared to Rs. 477.7 million in corresponding period last year. Yarn production increased to 1.86 million kg (HYFY20: 1.55 million kg). Gross loss for the period stood at Rs. 19.99 million. Cotton prices were increased around 25% but not in proportionate with yarn prices which were increased only around 10%. Textile Division gross loss margin was 3.27% during the current period as compared to gross loss margin of 4.51% during corresponding period. Main factors behind increase in loss include significant increase in raw material cost and per unit cost of electricity. The bottom-line resulted in loss before tax of Rs. 39.52 million as compared to loss before tax of Rs. 39.54 million for the corresponding period last year.

Unconsolidated Financial Position

Balance sheet footing stood at Rs. 13,225.2 million as of 31 March 2021 compared to Rs. 12,734.6 million on 30 September 2020. Total shareholders' fund decreased to Rs. 6,058.4 million from Rs. 6,858.5 million as at 30 September 2020. Break-up value per share was Rs. 48.47.

Consolidated Financial Performance

On a consolidated basis, operating loss before finance costs and taxation amounted to Rs. 335.07 million (HYFY20: loss Rs. 360.78 million). Consolidated loss after tax for the Group for the period was Rs. 780.76 million as compared to loss after tax of Rs. 611.83 million in HYFY20. During period under review, profit after tax of Shakarganj Food Products Limited - the subsidiary company was amounted to Rs. 37.89 million (HYFY20: loss after tax Rs. 448.43 million). Results of subsidiary company were improved significantly due to increase in sales volume, selling price. Input cost control, so the margins were improved in all the areas. Continuity of the progress would result even much better positive bottom line in next part of Fiscal 2021.

On a Group basis, the consolidated balance sheet footing stood at Rs. 21,055.44 million, compared to Rs. 20,850.07 million as at 30 September 2020. Total equity decreased to Rs. 7,615.41 million from Rs. 8,397.50 million as at 31 March 2021.

Health, Safety, Environment and Corporate Social Responsibility

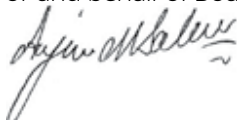
To ensure a safe and healthy work environment, the Company is adapting its health and safety practices in line with the development of the COVID-19 pandemic. Measures include categorization of staff essential to be present in office for uninterrupted operations, whereas the other staff is shifted to work-from-home. Covid vaccination is also recommended to all workers and staff on priority basis. Technological developments have made the minimal physical interaction possible by conversion to virtual meetings. All efforts are being made to mitigate the situation encountered by pandemic. We also actively seek opportunities to contribute to the communities in which we operate and to improve the environments that sustain us all. Our areas of primary focus are education, health and safety, energy conservation, waste reduction, and community building.

Future Outlook:

In view of corona virus disease, business activities suffered badly which would affect future outlook as well. The slowdown in economic activities has already affected the export sector as international demand has scaled down significantly. Company's management is taking all essential measures for continuity of business wherever possible. Future outlook of our distilleries operations is always depending on continuous availability of good quality molasses. Right now, market price of raw material has increased significantly however, management is reviewing the situation and procurement would be done subject to better margins otherwise stocks available with the Company would be used to continue its distilleries operations. Difficult business environments in the textile business have forced us to close the textile operations. However, we are planning to restart operations of Textile Division again in next month.

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

For and behalf of Board of Directors



Anjum Muhammad Saleem
Chief Executive Officer



Ali Altaf Saleem
Director

31 May 2021

Unconsolidated Condensed Interim
Financial Statements (Un-audited)
For the half year ended 31 March 2021
(Shakarganj Limited)

Independent Auditor's Review Report

To the members of Shakarganj Limited

Report on review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of SHAKARGANJ LIMITED as at 31 March 2021 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review. The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the quarters ended 31 March 2021 and 31 March 2020 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 March 2021.

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 unconsolidated condensed interim financial statements 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 unconsolidated condensed interim financial statements are not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

We draw attention to Note 1.2 to the unconsolidated condensed interim financial statements which states that the Company has suffered loss after taxation of Rupees 798,799 million during the current period and has accumulated losses of Rupees 3,347.711 million as at the reporting date. The current liabilities of the Company exceed its current assets by Rupees 3,267.846 million. This indicates the existence of material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not qualified in respect of this matter.

The engagement partner on the review resulting in this independent auditor's review report is Liaqat Ali Panwar.

Faisalabad
Date: 31 May 2021

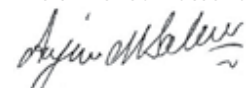

RIAZ AHMAD & COMPANY
Chartered Accountants

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 March 2021 (Un-audited)

	Note	31 March 2021 Un-Audited (Rupees in thousand)	30 September 2020 Audited
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
150,000,000 (30 September 2020: 150,000,000) ordinary shares of Rs. 10 each		1,500,000	1,500,000
50,000,000 (30 September 2020: 50,000,000) preference shares of Rs. 10 each		500,000	500,000
		<u>2,000,000</u>	<u>2,000,000</u>
Issued, subscribed and paid up share capital			
125,000,000 (30 September 2020: 125,000,000) ordinary shares of Rs. 10 each		1,250,000	1,250,000
Capital Reserves			
Surplus on revaluation of property, plant and equipment - net of deferred income tax		5,969,692	6,087,758
Other capital reserve		1,670,065	1,683,231
Revenue Reserves		516,306	516,306
Accumulated losses		(3,347,711)	(2,678,821)
TOTAL EQUITY		<u>6,058,352</u>	<u>6,858,474</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	3	137,937	219,945
Deferred income - Govt. grant		2,092	3,405
Employees' retirement benefits		185,107	160,503
Deferred income tax liability		899,713	925,415
		<u>1,224,849</u>	<u>1,309,268</u>
CURRENT LIABILITIES			
Trade and other payables		4,106,227	2,808,451
Short term borrowings		1,235,000	1,415,698
Accrued Mark-up		41,326	57,152
Current portion of non-current liabilities		453,026	245,419
Unclaimed dividend		1,946	1,954
Provision for taxation		104,439	38,171
		<u>5,941,964</u>	<u>4,566,845</u>
TOTAL LIABILITIES		<u>7,166,813</u>	<u>5,876,113</u>
CONTINGENCIES AND COMMITMENTS	4		
TOTAL EQUITY AND LIABILITIES		<u>13,225,165</u>	<u>12,734,587</u>

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.

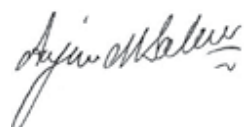

Chief Executive Officer


Director


Chief Financial Officer

	Note	31 March 2021 Un-Audited (Rupees in thousand)	30 September 2020 Audited
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	8,798,850	9,745,632
Biological assets		18,530	18,819
Long Term Investments	6	1,697,532	1,679,003
Long term advances and deposits		36,135	34,035
		<u>10,551,047</u>	<u>11,477,489</u>
CURRENT ASSETS			
Biological assets		22,028	20,973
Stores, spare parts and loose tools		62,030	55,596
Stock-in-trade	7	1,386,424	615,116
Trade debts		277,303	203,093
Loans and advances		61,131	70,369
Prepayments and other receivables		281,912	283,852
Cash and bank balances		12,024	8,099
		<u>2,102,852</u>	<u>1,257,098</u>
Non-current assets held for sale	8	571,266	-
		<u>2,674,118</u>	<u>1,257,098</u>
TOTAL ASSETS		<u><u>13,225,165</u></u>	<u><u>12,734,587</u></u>

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

For the Half Year Ended 31 March 2021 (Un-Audited)

	Note	Half Year Ended 31 March 2021	31 March 2020 (Rupees in thousand)	Quarter ended 31 March 2021 (thousand)	31 March 2020
Revenue	9.1	7,383,303	4,942,889	5,076,890	2,830,713
Cost of sales	9.1	(7,664,094)	(5,335,761)	(5,228,697)	(3,061,101)
Gross loss		(280,791)	(392,872)	(151,807)	(230,388)
Distribution cost		(55,061)	(54,937)	(45,852)	(50,779)
Administrative expenses		(205,324)	(170,637)	(120,849)	(93,795)
Other expenses		(117,729)	(10,425)	(115,685)	(1,369)
Other income		44,708	716,203	20,191	29,837
(Loss) / profit from operations		(614,197)	87,332	(414,002)	(346,494)
Finance cost		(121,184)	(173,728)	(73,784)	(86,731)
Share of profit / (loss) from equity accounted investee		58,631	(328,831)	64,994	(124,510)
Loss before taxation		(676,750)	(415,227)	(422,792)	(557,735)
Taxation		(122,049)	16,244	(97,852)	(29,022)
Loss after taxation		(798,799)	(398,983)	(520,644)	(586,757)
Loss per share - Basic And diluted (Rupees)		(6.39)	(3.19)	(4.17)	(4.69)

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer



Director



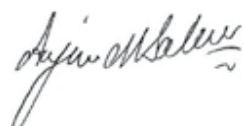
Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the Half Year Ended 31 March 2021 (Un-Audited)

	Half year ended		Quarter ended	
	31 March 2021	31 March 2020 (Rupees in thousand)	31 March 2021 (Rupees in thousand)	31 March 2020
LOSS AFTER TAXATION	(798,799)	(398,983)	(520,644)	(586,757)
OTHER COMPREHENSIVE (LOSS) / INCOME				
Items that will not be reclassified to profit or loss in subsequent periods:				
(Deficit) / surplus arising on remeasurement of investments at fair value through other comprehensive income	(1,323)	609	(3,240)	(1,557)
Items that may be reclassified to profit or loss in subsequent periods	-	-	-	-
Other comprehensive (loss) / income for the period	(1,323)	609	(3,240)	(1,557)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u>(800,122)</u>	<u>(398,374)</u>	<u>(523,884)</u>	<u>(588,314)</u>

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the Half Year Ended 31 March 2021 (Un-Audited)

SHARE CAPITAL	RESERVES											ACCUMULATED LOSS	TOTAL EQUITY	
	CAPITAL RESERVES						REVENUE RESERVES				TOTAL			
	Premium on issue of right shares	Share in capital reserves of equity accounted investee	Fair value reserve of investments at fair value through other comprehensive income	Difference of capital under scheme of arrangement of merger	Surplus on revaluation of property, plant and equipment - net of deferred income tax	Sub total	General	Dividend equalization	Equity investment market value equalization	Sub total				
(Rupees in thousand)														
Balance as at 30 September 2019 - (Audited)	1,250,000	1,056,373	497,429	(13,311)	155,930	6,356,860	8,053,281	410,606	22,700	83,000	516,306	8,569,587	(11,861,115)	7,958,472
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	(150,479)	(150,479)	-	-	-	-	(150,479)	150,479	-
Incremental depreciation of property, plant and equipment of equity accounted investee - net of deferred income tax	-	-	(12,468)	-	-	-	(12,468)	-	-	-	-	(12,468)	12,468	-
Loss for the period	-	-	-	609	-	-	609	-	-	-	-	609	(398,983)	(398,983)
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	-	609	609
Total comprehensive loss for the period	-	-	-	609	-	-	609	-	-	-	-	609	(398,983)	(398,374)
Balance as at 31 March 2020 - (Un-audited)	1,250,000	1,056,373	484,961	(12,702)	155,930	6,206,381	7,890,943	410,606	22,700	83,000	516,306	8,407,249	(2,097,151)	7,560,098
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	(163,641)	(163,641)	-	-	-	-	(163,641)	163,641	-
Adjustment of deferred income tax liability due to re-assessment at year end	-	-	-	-	-	48,397	48,397	-	-	-	-	48,397	-	48,397
Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment	-	-	-	-	-	(3,379)	(3,379)	-	-	-	-	(3,379)	3,379	-
Incremental depreciation of property, plant and equipment of equity accounted investee - net of deferred income tax	-	-	(12,465)	-	-	-	(12,465)	-	-	-	-	(12,465)	12,465	-
Loss for the period	-	-	-	-	-	-	-	-	-	-	-	-	(598,600)	(598,600)
Other comprehensive income for the period	-	-	6,330	4,804	-	-	11,134	-	-	-	-	11,134	(162,555)	(151,421)
Total comprehensive loss for the period	-	-	6,330	4,804	-	-	11,134	-	-	-	-	11,134	(761,155)	(750,021)
Balance as at 30 September 2020 - (Audited)	1,250,000	1,056,373	478,826	(7,898)	155,930	6,087,758	7,770,989	410,606	22,700	83,000	516,306	8,287,295	(2,678,821)	6,858,474
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	(109,228)	(109,228)	-	-	-	-	(109,228)	109,228	-
Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment	-	-	-	-	-	(8,838)	(8,838)	-	-	-	-	(8,838)	8,838	-
Incremental depreciation of property, plant and equipment of equity accounted investee - net of deferred income tax	-	-	(11,843)	-	-	-	(11,843)	-	-	-	-	(11,843)	11,843	-
Transfer from dividend equalization reserve to general reserve	-	-	-	-	-	-	-	22,700	(22,700)	-	-	-	-	-
Transfer from equity investment market value equalization reserve to general reserve	-	-	-	-	-	-	-	83,000	-	(83,000)	-	-	-	-
Loss for the period	-	-	-	-	-	-	-	-	-	-	-	-	(798,799)	(798,799)
Other comprehensive loss for the period	-	-	-	(1,323)	-	-	(1,323)	-	-	-	-	(1,323)	-	(1,323)
Total comprehensive loss for the period	-	-	-	(1,323)	-	-	(1,323)	-	-	-	-	(1,323)	(798,799)	(800,122)
Balance as at 31 March 2021 - (Un-audited)	1,250,000	1,056,373	466,983	(9,221)	155,930	5,969,692	7,639,757	516,306	-	-	516,306	8,156,063	(3,347,711)	6,058,352

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the Half Year Ended 31 March 2021 (Un-Audited)

		Half year ended	
	Note	31 March 2021	31 March 2020
		Rupees in thousand	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	10	235,494	(255,931)
Finance cost paid		(137,010)	(174,965)
Net increase in long term advances and deposits		(2,100)	(34)
Income tax paid		(42,704)	(54,880)
Net cash generated from / (used in) operating activities		53,680	(485,810)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(87,989)	(42,389)
Proceeds from sale of livestock		-	3,281
Proceeds from sale of property, plant and equipment		94,653	368
Net cash from / (used in) investing activities		6,664	(38,740)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		(180,698)	542,071
Proceeds from long term financing		165,700	-
Repayment of long term financing		(41,413)	(81,581)
Dividend paid		(8)	(79)
Net cash (used in) / from financing activities		(56,419)	460,411
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		3,925	(64,139)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD		8,099	83,702
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD		12,024	19,563

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the Half Year Ended 31 March 2021 (Un-Audited)

1. The Company and its Operations

- 1.1. Shakarganj Limited (the Company) is a public limited company incorporated on 20 September 1967 in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017) and is listed on Pakistan Stock Exchange Limited. It is principally engaged in manufacture, purchase and sale of sugar, biofuel and yarn. The Company has its principal manufacturing facilities at Jhang and satellite manufacturing facilities at Bhone. The registered office of the Company is situated at E-Floor, IT tower, 73-E/1, Hali Road, Gulberg-III, Lahore.

1.2. Going concern assumption

Owing to losses mainly due to underutilization of production capacities, higher purchase price of sugarcane as compared to sugar sale price, relatively low recovery from the sugarcane and production of low quality yarn, current liabilities of the Company exceed its current assets by Rupees 3,267.846 million. Moreover the Company has suffered from loss after taxation of Rupees 798.799 million during the current period and has accumulated losses of Rupees 3,347.711 million as at 31 March 2021. The operations of the Company are being financed through equity injection / bank borrowings.

However, the Company has crushed 1 006 075 MT of sugarcane in current season which has almost increased by 14% as compared to 884 724 MT of sugarcane crushed in the corresponding period and produced 91 837 MT of sugar in current season which has almost increased by 18% as compared to 77 560 MT of sugar in the corresponding period. This will favorably affect the financial position and performance of the Company in the next six months.

The Company is in the process of installing the falling film evaporator at principal unit and satellite unit also. Falling film evaporators are alternative to Robert type evaporators and help to improve the optimization of the evaporators station and energy efficiency of the plant. The percentage of steam's usage will be reduced by 9%. It would also increase the recovery ratio accordingly.

The Company has availed further facility of Rupees 165.700 million under SBP Refinance Scheme for payment of wages and salaries.

The production of textile products (yarn) has been 1 856 494 kgs during the period which is more than the production of textile segment for the whole previous year. Moreover, with the installation of better plant and machinery, the quality of textile products will be improved.

The Company is in negotiation with its banks to avail further long term financing and short term borrowings so that it can enhance its capital expenditure for new plant and machinery and for improving working capital lines to avail better quality raw material in time.

The future business plan shows improvement in cash generation.

The management and the Board considers that the measures as explained above would result in availability of adequate financial resources for the Company to sustain the continuity of its business for the foreseeable future and thus maintain its going concern status. Accordingly, these unconsolidated condensed interim financial statements have been prepared on a going concern basis which assumes that the Company will continue to operate its business, realize its assets, and discharge its liabilities, in the normal course of business.

2. Summary of Significant Accounting Policies

2.1. Basis of preparation

a) Statement of compliance

- i). These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
- International Accounting Standard (IAS) 34 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
 - Provisions of and directives issued under the Companies Act, 2017.
 - Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.
- ii). These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 September 2020. These unconsolidated condensed interim financial statements are unaudited, however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and section 237 of the Companies Act, 2017.

b) Accounting policies and computation methods

The accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are the same as approved in the preparation of the audited annual financial statements for the year ended 30 September 2020, except for the accounting policy disclosed in Note 2.4 to these unconsolidated condensed interim financial statements.

2.2. Critical accounting estimates, judgments and financial risk management

The preparation of these unconsolidated condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of these unconsolidated condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the audited annual financial statements of the Company for the year ended 30 September 2020.

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding annual audited published financial statements of the Company for the year ended 30 September 2020.

2.3. Seasonality of operations

The Company is, interalia, engaged in manufacturing of sugar for which the season begins in November and ends in March. Therefore, majority of expenses are incurred and production activities are undertaken in first half of the Company's financial year thus increasing volume of inventories at the end of the first half.

2.4. Non-current assets held for sale

Non-current assets are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

3. Long Term Financing

Financing from banking companies and financial institution - secured

	31 March 2021 Un-Audited (Rupees in thousand)	30 September 2020 Audited
Opening balance	456,919	384,744
Add:		
Obtained during the period / year	165,700	165,606
Fair value adjustment	8,955	3,947
	631,574	554,297
Less:		
Repaid during the period / year	41,413	81,581
Deferred income - Government grant	11,231	15,797
	52,644	97,378
	578,930	456,919
Less: Current portion shown under current liabilities	(440,993)	(236,974)
	137,937	219,945

4. Contingencies and Commitments

4.1. Contingencies

- (i) The Government of Punjab under the powers conferred through the Punjab Excise Act, 1914 through notification No. SO. Tax (E&T) 3-4/2012 dated 03 July 2012, levied a duty of Rupees 2 per liter on manufacturing of spirit (biofuel) with effect from 01 July 2012. In view of legal lacunas, discrimination as to other provinces, no legislative competence and lawful authority of Government of Punjab to impose such duty on industrial ethanol which is not alcohol liquor and the fact that the Company is exporter of the spirit which is exempted under Order 6 of the Punjab Liquor Import, Export, Transportation and Possessions Orders, the management through its legal counsel has challenged the imposition of said levy and is currently contesting it at Honorable Lahore High Court, Lahore. Keeping in view all the court proceedings and grounds discussed in various higher courts, Punjab Government, after due deliberations of the Provincial Cabinet of the Punjab Government, on 20 August 2019, through its notification no. SO(E&M)2-5/2018/ED withdrew the imposed duty of Rupees 2 per liter upon the manufacture of spirit in any distillery. As per Company's legal counsel, the Company has clear-cut case and the decision of the case shall be in favor of the Company. In view of the aforesaid, the duty on manufacturing of spirit (biofuel) of Rupees 229.918 million (30 September 2020: Rupees 229.918 million) previously deposited on this account has been recognized as receivable being refundable.

- (ii) The Company has paid an advance amounting to Rupees 12.999 million (30 September 2020: Rupees 12.999 million) to Messrs Industrial Enterprises for designing the boiler project to use only biogas as fuel with no option of burning bagasse. However, the boiler could not generate steam as per specification. It is unlikely that this project will be completed. Therefore the Company has gone into litigation with Industrial Enterprises in Civil Court, Jhang on 03 July 2018 for the recovery of the advance paid along with damages. Based on the advice of legal counsel, there are favorable grounds that the case will be decided in favor of the Company and the advance amount paid will be refunded back.
- (iii) An appellate order was made by Commissioner Inland Revenue, Appeals, Lahore on 30 November 2020 under section 33 of Federal Excise Act, 2005, confirming payment of federal excise duty of Rupees 12.757 million including penalty regarding export of sugar to Afghanistan through land route in 2014. The Company has filed appeal before Appellate Tribunal Inland Revenue, Lahore against this order on 23 December 2020. No provision has been recognized in the books of account as the Company is confident on positive outcome of the appeal, on the advice of legal counsel.
- (iv) The Competition Commission of Pakistan (CCP) issued show cause notices on 03 November 2020 and 04 November 2020, under the provisions of the Competition Act, 2010, demanding facts and materials to satisfy CCP against various violations given in the show cause notice including closure of sugarcane crushing, price hike and other factors. The Company submitted replies before the CCP on 21 November 2020, denying any of the violations contained in the show cause notice. Management is confident that the above-mentioned reply will satisfy CCP accordingly.
- (v) Deputy Commissioner Inland Revenue (DCIR) issued pre-audit reports under section 177(6) of Income Tax Ordinance, 2001 (the Ordinance) relevant to tax years 2018 and 2019 of the Company. The Company obtained stay against the issuance of pre-audit reports from Honourable Lahore High Court, Lahore. Moreover show cause notice under Section 122(9) of the Ordinance has also been issued by DCIR regarding tax year 2018 on 08 December 2020. As the proceedings have been stayed, no contingent liability can be arisen.
- (vi) The Company has received a letter from the Corporate Supervision Department, Company Law Division of the Securities and Exchange Commission of Pakistan (SECP) dated 19 March 2021 regarding examination of annual audited financial statements of the Company for the year ended 30 September 2020 by asking several queries and demanding various information. Against this letter, the Company has obtained stay from Honorable Lahore High Court, Lahore on 26 April 2021, subsequent to the reporting date.
- (vii) The Deputy Commissioner Inland Revenue has passed orders against the Company dated 23 November 2020 and raised demands of sales tax amounting to Rupees 164.609 million, Rupees 1,017.747 million and Rupees 802.714 million relating to tax year 2017, 2018 and 2019 respectively on the grounds of suppression of production / sales of molasses, bagasse and mud along with default surcharge and penalty under Sales Tax Act, 1990. However, subsequent to the reporting date on 12 April 2021, stay was allowed by Appellate Tribunal Inland Revenue. No provision against the above-mentioned demands has been created as the proceedings have currently been stayed.
- (viii) The Deputy Commissioner Inland Revenue has passed an order against the Company dated 23 November 2020 and raised demand of Federal Excise Duty in sales tax mode amounting to Rupees 475.145 million relating to tax year 2017 on the grounds of suppression of production / sales of white crystalline sugar along with default surcharge and penalty under Federal Excise Act, 2005. However, subsequently to the reporting date on 12 April 2021, stay was allowed by Appellate Tribunal Inland Revenue. No provision against the above-mentioned demands has been created as the proceedings have currently been stayed.

- (ix) On 31 March 2021, an Information Document Request (IDR) under section 177(1) of the Ordinance for tax year 2015 was issued to the Company by the Deputy Commissioner Inland Revenue. Subsequent to the reporting date on 14 April 2021, pre audit report under section 177(6) of the Ordinance was issued by Deputy Commissioner Inland Revenue. The Company, on advice of legal counsel, expects positive outcome of above-mentioned case and therefore no liability has been recognized in the books of account.
- (x) In addition to above-mentioned matters there are certain cases which have been filed against the Company, primarily by the Company's employees, customers and vendors. However, the management is of the view that in the overall context of these unconsolidated condensed interim financial statements there would be no significant liability of the Company against such cases.

4.2. Commitments

There is no contract for capital and other expenditure as at 31 March 2021 (30 September 2020: Rupees Nil).

	Note	31 March 2021 Un-Audited	30 September 2020 Audited
		(Rupees in thousand)	
5 Property, plant and equipment			
Operating fixed assets	5.1	8,588,182	9,603,953
Capital work-in-progress	5.2	210,668	141,679
		<u>8,798,850</u>	<u>9,745,632</u>
5.1 Operating fixed assets			
Opening book value		9,603,953	10,109,369
Add: Cost of addition during the period / year	5.1.1	19,000	72,591
		<u>9,622,953</u>	<u>10,181,960</u>
Less:			
Book value of deletion during the period / year	5.1.2	205,478	8,644
Transferred to non-current assets held for sale	8.1	571,266	-
		<u>776,744</u>	<u>8,644</u>
		<u>8,846,209</u>	<u>10,173,316</u>
Less: Depreciation charged during the period / year		258,027	569,363
Closing book value		<u>8,588,182</u>	<u>9,603,953</u>
5.1.1 Cost of additions during the period / year			
Building		-	3,712
Plant and machinery		13,222	65,402
Tools and equipment		465	332
Office equipment		34	-
Laboratory equipment		3,087	-
Water electric and weighbridge equipment		2,052	2,353
Furniture and fixture		140	709
Vehicles		-	83
		<u>19,000</u>	<u>72,591</u>

	31 March 2021 Un-Audited (Rupees in thousand)	30 September 2020 Audited
5.1.2 Book value of deletions during the period / year		
Freehold land	2,122	3,000
Building	7	-
Plant and machinery	203,304	5,168
Tools and equipment	-	1
Water electric and weighbridge equipment	37	93
Furniture and fixture	-	19
Vehicles	8	363
	205,478	8,644
5.2 Capital work-in-progress		
Civil works	2,001	-
Plant and machinery	143,548	71,271
	145,549	71,271
Advances against capital work in progress	102,057	107,346
Less: Provision against doubtful advances	(36,938)	(36,938)
	65,119	70,408
	210,668	141,679
6 Long Term Investment		
Investment in equity accounted investee (Note 6.1.1)	1,685,632	1,665,780
Investment at fair value through other comprehensive income	11,900	13,223
	1,697,532	1,679,003
6.1 Investment in equity accounted investee		
Shakarganj Food Products Limited - Unquoted		
87 785 643 (30 September 2020: 87 785 643) fully paid ordinary shares of Rupees 10 each. Equity held: 52.39% (30 Sep 2020: 52.39%)		
6.1.1 Movement during the period / year		
Cost	590,784	590,784
Share of post acquisition reserves:		
Opening balance	1,074,996	1,532,615
Share of profit / (loss) for the period / year before taxation	58,631	(538,637)
Provision for taxation	(38,779)	74,688
Share of other comprehensive income for the period / year	-	6,330
	1,094,848	1,074,996
Closing balance	1,685,632	1,665,780

	31 March 2021 Un-Audited (Rupees in thousand)	30 September 2020 Audited
7. Stock-in-Trade		
Raw materials	760,992	38,827
Work-in-process	15,287	16,100
Finished goods	610,145	560,189
	<u>1,386,424</u>	<u>615,116</u>

8. Non-Current Assets Held for Sale

The non-current assets classified as held for sale under IFRS-5 "Non-Current Assets held for Sale and Discontinued Operations" are summarized hereunder:

Property, plant and equipment	<u>571,266</u>	<u>-</u>
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Specific items of freehold land, plant and machinery of Sugar segment of the Company have been presented as held for sale following the approval of Board of Directors (BOD) of the Company in the meeting held on 04 January 2021. The buyers of these assets have been finalized and partial advances against sale of these assets aggregating to Rupees 693.300 million have been received. The management is hopeful of completing the sale transactions of the above mentioned assets uptill the end of the current financial year.

8.1. Book value of assets transferred from property, plant and equipment (Note 5.1)

Freehold land	148,548	-
Plant and machinery	422,718	-
Carrying value of non-current assets held for sale	<u>571,266</u>	<u>-</u>

9. SEGMENT INFORMATION

9.1 Revenue

(Un-audited)											
Sugar		Biofuel		Textile		Farms		Elimination of Inter-segment transactions		Total	
Half year ended		Half year ended		Half year ended		Half year ended		Half year ended		Half year ended	
31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
(Rupees in thousand)											
6,415,893	4,446,736	320,775	1,257	610,820	477,705	35,815	17,191	-	-	7,383,303	4,942,889
484,690	710,135	2,441	25,932	-	-	8,315	16,463	(495,446)	(752,530)	-	-
6,900,583	5,156,871	323,216	27,189	610,820	477,705	44,130	33,654	(495,446)	(752,530)	7,383,303	4,942,889
(7,155,661)	(5,446,664)	(339,357)	(112,204)	(630,807)	(499,256)	(33,715)	(30,167)	495,446	752,530	(7,664,094)	(5,335,761)
(255,078)	(289,793)	(16,141)	(85,015)	(19,987)	(21,551)	10,415	3,487	-	-	(280,791)	(392,872)
(178,043)	(151,926)	(8,339)	(1,043)	(18,413)	(16,972)	(529)	(696)	-	-	(205,324)	(170,637)
(15,283)	(13,232)	(38,660)	(40,690)	(1,118)	(1,015)	-	-	-	-	(55,061)	(54,937)
(193,326)	(165,158)	(46,999)	(41,733)	(19,531)	(17,987)	(529)	(696)	-	-	(260,385)	(225,574)
(448,404)	(454,951)	(63,140)	(126,748)	(39,518)	(39,538)	9,886	2,791	-	-	(541,176)	(618,446)
Unallocated income and expenses:											
Other expenses										(117,729)	(10,425)
Finance cost										(121,184)	(173,728)
Other income										44,708	716,203
Share of profit / (loss) for equity accounted investee										58,631	(328,831)
Taxation										(122,049)	16,244
Loss after taxation										(798,799)	(398,983)

9.2 Reconciliation of reportable segment assets and liabilities:

Sugar		Biofuel		Textile		Farms		Total	
(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
31 March 2021	30 September 2020	31 March 2021	30 September 2020	31 March 2021	30 September 2020	31 March 2021	30 September 2020	31 March 2021	30 September 2020
(Rupees in thousand)									
6,121,159	7,096,953	3,033,592	2,225,377	523,288	447,340	823,358	823,504	10,501,397	10,593,174
								2,152,502	2,141,413
								571,266	-
Total assets as per unconsolidated condensed interim statement of financial position								13,225,165	12,734,587
5,202,805	4,036,571	1,314,674	1,369,828	243,318	258,307	15,795	18,085	6,776,592	5,682,791
								390,221	193,322
Total liabilities as per unconsolidated condensed interim statement of financial position								7,166,813	5,876,113

9.3 Geographical Information

The Company's segment wise revenue from external customers by geographical locations is detailed below:

(Un-audited)									
Sugar		Biofuel		Textile		Farms		Total	
Half year ended		Half year ended		Half year ended		Half year ended		Half year ended	
31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
-	9,355	248,110	-	-	-	-	-	248,110	9,355
-	4,956	-	-	-	-	-	-	-	4,956
6,415,893	4,432,425	72,665	1,257	610,820	477,705	35,815	17,191	7,135,193	4,928,578
6,415,893	4,446,736	320,775	1,257	610,820	477,705	35,815	17,191	7,383,303	4,942,889

10. CASH GENERATED FROM / (USED IN) OPERATIONS

Loss before taxation

Adjustments for non-cash charges and other items:

	31 March 2021 (Rupees in thousand)	31 March 2020
Depreciation	258,027	284,136
Liabilities no longer payable written back	(3,295)	-
Provision for employees' retirement benefits	24,604	-
Loss / (gain) on sale of property, plant and equipment	110,825	(297)
Fair value adjustment of agricultural assets	(1,972)	6,827
Share of (profit) / loss from equity accounted investee	(58,631)	328,831
Unrealized loss on agriculture income	2,422	9,150
Amortization of deferred grant	8,955	-
Finance cost	112,229	173,728
Allowance for expected credit losses	-	1,062
Working capital changes (Note 10.1)	459,080	(644,141)
	<u>235,494</u>	<u>(255,931)</u>

10.1 Working capital changes

(Increase) / decrease in current assets:

Stores, spare parts and loose tools	(6,434)	(7,111)
Stock-in-trade	(771,308)	(1,193,493)
Trade debts	(74,210)	(283,267)
Loans and advances	9,238	21,400
Prepayments and other receivables	1,940	(234,320)
Biological assets - net	(1,217)	(12,263)
	<u>(841,991)</u>	<u>(1,709,054)</u>
Increase in trade and other payables	1,301,071	1,064,913
	<u>459,080</u>	<u>(644,141)</u>

11. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of subsidiary company, associated companies, key management personnel and other related parties. The Company in the normal course of business carries out transactions with various related parties as follows:

	(Un-audited)			
	Half year ended		Quarter ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	(Rupees in thousand)			
i) Transactions				
Subsidiary company				
Sale of goods	182,401	86,079	123,375	59,945
Common expenses shared	2,231	1,163	1,525	927
Associated companies				
Purchase of goods	552,710	257,444	371,859	169,876
Common expenses shared	4,696	6,258	2,840	6,003
Insurance expenses	4,244	4,595	2,215	2,067
Sale of goods and rendering of services	551,340	260,508	368,777	175,285
Finance cost	17,606	7,531	8,346	3,908
Short term borrowings obtained	425,000	100,000	425,000	-
Short term borrowings repaid	425,000	100,000	400,000	-
Other related parties				
Company's contribution to Employees' Provident Fund Trust	6,636	3,554	3,532	1,777
Mark-up expense	-	17,076	-	8,866
Service charges accrued	3,058	2,780	1,529	1,390
Remuneration and meeting fee paid to Chief Executive Officer, directors and executives	89,158	87,347	58,164	34,965
ii) Period end balances				
Subsidiary company				
Trade debts			104,253	51,167
Trade and other payables			1,582	4,065
Associated companies				
Trade and other payables			63,538	67,882
Cash and bank balances			3,257	87
Loans and advances			7,700	8,847
Short term borrowings			425,000	425,000
Other related parties				
Trade and other payables			72,795	77,037
Loans and advances			2,696	2,293

12. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX
Description

Shariah compliant bank deposits and bank balances

	31 March 2021 (Un-Audited) (Rupees in thousand)	30 September 2020 (Audited)
Bank balances	4,117	3,646

Loans / advances obtained as per Islamic mode

Contract liabilities	492,435	374,704
Short term borrowings	425,000	437,598

Half Year Ended
(Un-audited)

	31 March 2021 (Rupees in thousand)	31 March 2020
Revenue earned from shariah compliant business	7,383,303	4,942,889
Gain / (loss) or dividend earned from shariah complaint investments		
Unrealized loss on remeasurement of investments at FVTOCI	-	609
Exchange (loss) / gain incurred	(1,682)	2
Mark-up paid on Islamic mode of financing	17,606	7,531
Profit earned or interest paid on any conventional loan / advance		
Mark-up on long term financing	27,958	29,401
Mark-up on short term borrowings	36,954	99,306
Profit earned on deposit with banks	32	448

Relationship with shariah compliant banks

Name	Relationship
Askari Bank Limited	Bank balances
BankIslami Pakistan Limited	Bank balances and short term borrowings
Bank Alfalah Limited	Bank balances
Dubai Islamic Bank Pakistan Limited	Bank balances
Meezan Bank Limited	Bank balances
Habib Bank Limited	Bank balances
AlBaraka Bank (Pakistan) Limited	Bank balances

12.1. There was no profit on deposits with shariah compliant banks.

13. Recognized Fair Value Measurements - Financial Instruments

13.1. Fair value hierarchy

Judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these unconsolidated condensed interim

financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into following three levels. An explanation of each level follows underneath the table:

Level 1	Level 2	Level 3	Total
---------	---------	---------	-------

(Rupees in thousand)

Financial assets - recurring fair value measurement

At 31 March 2021 - (Un-audited)

At fair value through other comprehensive income	11,900	-	-	11,900
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At 30 September 2020 - Audited

At fair value through other comprehensive income	13,223	-	-	13,223
--	--------	---	---	--------

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to the short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the period. Further there was no transfer out of level 3 measurements.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, trading and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

14. Date of Authorization of Issue

These unconsolidated condensed interim financial statements were approved and authorized for issue on 31 May 2021 by the Board of Directors of the Company.

15. Corresponding Figures

In order to comply with the requirements of IAS 34, the unconsolidated condensed interim statement of financial position and unconsolidated condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income and unconsolidated condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.

16. General

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.



Chief Executive Officer



Director



Chief Financial Officer

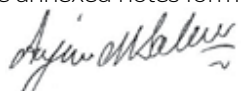
Consolidated Condensed Interim
Financial Statements (Un-audited)
For the half year ended 31 March 2021
(Shakarganj Limited and Its Subsidiary Company)

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 March 2021 (Un-audited)

	Note	31 March 2021 Un-Audited (Rupees in thousand)	30 September 2020 Audited (Rupees in thousand)
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
150,000,000 (30 September 2020: 150,000,000) ordinary shares of Rs. 10 each		1,500,000	1,500,000
50,000,000 (30 September 2020: 50,000,000) preference shares of Rs. 10 each		500,000	500,000
		<u>2,000,000</u>	<u>2,000,000</u>
Issued, subscribed and paid up share capital			
125,000,000 (30 September 2020: 125,000,000) ordinary shares of Rs. 10 each		1,250,000	1,250,000
Capital Reserves			
Surplus on revaluation of property, plant and equipment - net of deferred income tax		6,470,885	6,600,793
Other capital reserve		1,275,605	1,276,928
Revenue Reserves		516,306	516,306
Accumulated loss		(3,364,460)	(2,695,569)
Equity attributable to equity holders of the Holding Company		6,148,336	6,948,458
Non-controlling interest		1,467,077	1,449,037
TOTAL EQUITY		<u>7,615,413</u>	<u>8,397,495</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	3	906,408	1,067,406
Long term deposits		7,000	7,000
Lease liabilities		646,011	639,181
Deferred liabilities		1,095,094	1,120,162
		<u>2,654,513</u>	<u>2,833,749</u>
CURRENT LIABILITIES			
Trade and other payables		8,286,409	7,306,744
Short term borrowings		1,584,194	1,764,892
Accrued Mark-up		91,882	96,846
Current portion of non-current liabilities		806,064	448,392
Unclaimed dividend		1,946	1,954
Provision for taxation		15,014	-
		<u>10,785,509</u>	<u>9,618,828</u>
TOTAL LIABILITIES		<u>13,440,030</u>	<u>12,452,577</u>
CONTINGENCIES AND COMMITMENTS	4		
TOTAL EQUITY AND LIABILITIES		<u>21,055,435</u>	<u>20,850,072</u>

The annexed notes form an integral part of these consolidated condensed interim financial statements.

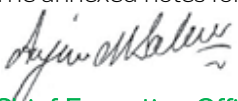

Chief Executive Officer


Director


Chief Financial Officer

	Note	31 March 2021 Un-Audited (Rupees in thousand)	30 September 2020 Audited
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	15,105,272	16,178,240
Right-of-use assets		1,322,577	1,180,192
Intangible asset		4,110	4,771
Biological assets		18,530	18,819
Investments		11,900	13,223
Long term advances and deposits		139,971	140,944
		<u>16,602,360</u>	<u>17,536,189</u>
CURRENT ASSETS			
Biological assets		22,028	20,973
Stores, spare parts and loose tools		238,955	251,156
Stock-in-trade	6	2,583,997	1,839,290
Trade debts		302,418	275,787
Loans and advances		209,296	209,827
Prepayments and other receivables		311,224	386,838
Cash and bank balances		213,891	330,012
		<u>3,881,809</u>	<u>3,313,883</u>
Non-current assets held for sale	7	571,266	-
		<u>4,453,075</u>	<u>3,313,883</u>
TOTAL ASSETS		<u><u>21,055,435</u></u>	<u><u>20,850,072</u></u>

The annexed notes form an integral part of these consolidated condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

For the Half Year Ended 31 March 2021 (Un-Audited)

		Half Year Ended		Quarter ended	
	Note	31 March 2021	31 March 2020 (Rupees in thousand)	31 March 2021 thousand)	31 March 2020
Revenue	8.1	16,093,902	12,314,945	9,454,213	6,554,803
Cost of sales	8.1	(15,220,786)	(12,121,958)	(8,953,752)	(6,344,283)
Gross profit		873,116	192,987	500,461	210,520
Administrative expenses		(277,391)	(243,835)	(159,861)	(130,380)
Distribution cost		(862,808)	(1,034,157)	(448,050)	(589,958)
Other expenses		(123,891)	(10,679)	(122,684)	(1,369)
Other income		55,908	734,906	26,125	39,019
Loss from operations		(335,066)	(360,778)	(204,009)	(472,168)
Finance cost		(288,403)	(352,711)	(159,720)	(195,513)
Loss before taxation		(623,469)	(713,489)	(363,729)	(667,681)
Taxation		(157,290)	101,659	(126,329)	(39,410)
Loss after taxation		(780,759)	(611,830)	(490,058)	(707,091)
Share of (loss) / profit attributable to:					
Equity holders of holding company		(798,799)	(398,334)	(520,644)	(627,715)
Non-controlling interest		18,040	(213,496)	30,586	79,376
		(780,759)	(611,830)	(490,058)	(707,091)
Loss per share - Basic					
And diluted (Rupees)		(6.39)	(3.19)	(4.17)	(5.02)

The annexed notes form an integral part of these consolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the Half Year Ended 31 March 2021 (Un-Audited)

	Half year ended		Quarter ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	Rupees in thousand			
LOSS AFTER TAXATION	(780,759)	(611,830)	(490,058)	(707,091)
OTHER COMPREHENSIVE (LOSS) / INCOME				
Items that will not be reclassified to profit or loss in subsequent periods:				
(Deficit) / surplus arising on remeasurement of investments at fair value through other comprehensive income	(1,323)	609	(3,240)	(2,775)
Items that may be reclassified to profit or loss in subsequent periods	-	-	-	-
Other comprehensive (loss) / income for the period	(1,323)	609	(3,240)	(2,775)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(782,082)	(611,221)	(493,298)	(709,866)
SHARE OF TOTAL COMPREHENSIVE (LOSS) / INCOME ATTRIBUTABLE TO:				
EQUITY HOLDERS OF HOLDING COMPANY	(800,122)	(397,725)	(523,884)	(630,490)
NON CONTROLLING INTEREST	18,040	(213,496)	30,586	(79,376)
	(782,082)	(611,221)	(493,298)	(709,866)

The annexed notes form an integral part of these consolidated condensed interim financial statements.


Chief Executive Officer


Director



Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the Half Year Ended 31 March 2021 (Un-Audited)

SHARE CAPITAL	RESERVES											ACCUMU- LATED LOSS	SHAREHOL- DERS' EQUITY	NON- CONTR- OLLING INTEREST	TOTAL EQUITY
	CAPITAL RESERVES						REVENUE RESERVES				Total Reserves				
	Premium on issue of right shares	Fair value reserve of investments at fair value through other comprehensive income	Difference of capital under scheme of arrangement of merger	Surplus on revaluation of property, plant and equipment - net of deferred income tax	Musharak - ah financing - equity portion	Sub total	General	Dividend equalization	Equity investment market value equalization	Sub total					
(Rupees in thousand)															
1,250,000	1,056,373	(13,311)	155,930	6,894,890	72,523	8,166,405	410,606	22,700	83,000	516,306	8,682,711	(2,043,010)	7,889,701	1,864,903	9,754,604
-	-	-	-	(162,947)	-	(162,947)	-	-	-	-	(162,947)	162,947	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	(398,334)	(398,334)	(213,496)	(611,830)
-	-	609	-	-	-	609	-	-	-	-	609	-	609	-	609
-	-	609	-	-	-	609	-	-	-	-	609	(398,334)	(397,725)	(213,496)	(611,221)
1,250,000	1,056,373	(12,702)	155,930	6,731,943	72,523	8,004,067	410,606	22,700	83,000	516,306	8,520,373	(2,278,397)	7,491,976	1,651,407	9,143,383
-	-	-	-	(176,106)	-	(176,106)	-	-	-	-	(176,106)	176,106	-	-	-
-	-	-	-	48,397	-	48,397	-	-	-	-	48,397	-	48,397	-	48,397
-	-	-	-	(3,441)	-	(3,441)	-	-	-	-	(3,441)	3,441	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	(440,494)	(440,494)	(208,123)	(648,617)
-	-	4,804	-	-	-	4,804	-	-	-	-	4,804	(156,225)	(151,421)	5,753	(145,668)
-	-	4,804	-	-	-	4,804	-	-	-	-	4,804	(596,719)	(591,915)	(202,370)	(794,285)
1,250,000	1,056,373	(7,898)	155,930	6,600,793	72,523	7,877,721	410,606	22,700	83,000	516,306	8,394,027	(2,695,569)	6,948,458	1,449,037	8,397,495
-	-	-	-	(121,070)	-	(121,070)	-	-	-	-	(121,070)	121,070	-	-	-
-	-	-	-	(8,838)	-	(8,838)	-	-	-	-	(8,838)	8,838	-	-	-
							22,700	(22,700)							
							83,000	(83,000)							
-	-	-	-	-	-	-	-	-	-	-	-	(798,799)	(798,799)	18,040	(780,759)
-	-	(1,323)	-	-	-	(1,323)	-	-	-	-	(1,323)	-	(1,323)	-	(1,323)
-	-	(1,323)	-	-	-	(1,323)	-	-	-	-	(1,323)	(798,799)	(800,122)	18,040	(782,082)
1,250,000	1,056,373	(9,221)	155,930	6,470,885	72,523	7,746,490	516,306	-	-	516,306	8,262,796	(3,364,460)	6,148,336	1,467,077	7,615,413

The annexed notes form an integral part of these consolidated condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the Half Year Ended 31 March 2021 (Un-Audited)

	Note	Half Year Ended	
		31 March 2021 (Rupees in thousand)	31 March 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	9	516,872	99,127
Finance cost paid		(234,515)	(301,056)
Net increase in long term loans, advances and deposits		973	(792)
Employees' retirement benefits paid		(13,098)	-
Workers' profit participation fund paid		-	-
Income tax paid		(141,921)	(142,241)
Net cash (used in) / generated from operating activities		128,311	(344,962)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(128,330)	(181,501)
Proceeds from sale of livestock		-	3,281
Proceeds from disposal of property, plant and equipment		96,940	1,006
Interest received on loan to Sui Northern Gas Pipelines Limited		-	68
Net cash used in investing activities		(31,390)	(177,146)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		(180,698)	592,071
Repayment of long term financing		(41,413)	(120,748)
Proceeds from long term financing		165,700	-
Lease liabilities - net		(156,623)	(168,241)
Dividend paid		(8)	(79)
Net cash used in financing activities		(213,042)	303,003
NET DECREASE IN CASH AND CASH EQUIVALENTS		(116,121)	(219,105)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD		330,012	514,289
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD		213,891	295,184

The annexed notes form an integral part of these consolidated condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the Half Year Ended 31 March 2021 (Un-Audited)

1. The Group and its Operations

The Group consists of Shakarganj Limited (the Holding Company) and its Subsidiary Company, Shakarganj Food Products Limited.

1.1. Shakarganj Limited

Shakarganj Limited (SL) is a public limited company incorporated on 20 September 1967 in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017) and is listed on Pakistan Stock Exchange Limited. It is principally engaged in manufacture, purchase and sale of sugar, biofuel and yarn. SL has its principal manufacturing facilities at Jhang and satellite manufacturing facilities at Bhone. The registered office of SL is situated at E-Floor, IT Tower, 73-E/1, Hali Road, Gulberg-III, Lahore.

1.2. Shakarganj Food Products Limited

Shakarganj Food Products Limited (SFPL) was incorporated in Pakistan initially as a private limited company on 03 April 2001 under the Companies Ordinance, 1984 (Now Companies Act, 2017). Its name was later changed from A.M. Fruit Products (Private) Limited to Shakarganj Food Products Limited along with change of its status from private limited to public limited on 03 January 2006. The principal activity of the SFPL is manufacturing, processing and sale of food products (dairy, fruit pulps and concentrate juices). The registered office of SFPL is situated at E-Floor, IT Tower, 73-E/1, Hali Road, Gulberg-III, Lahore.

1.3. Going concern assumption

Owing to losses mainly due to underutilization of production capacities, higher purchase price of sugarcane as compared to sugar sale price, relatively low recovery from the sugarcane and production of low quality yarn, current liabilities of the Holding Company exceed its current assets by Rupees 3,267.846 million. Moreover the Holding Company has suffered from loss after taxation of Rupees 798.799 million during the current period and has accumulated losses of Rupees 3,347.711 million as at 31 March 2021. The operations of the Company are being financed through equity injection / bank borrowings.

However, the Holding Company has crushed 1 006 075 MT of sugarcane in current season which has almost increased by 14% as compared to 884 724 MT of sugarcane crushed in the corresponding period and produced 91 837 MT of sugar in current season which has almost increased by 18% as compared to 77 560 MT of sugar in the corresponding period. This will favorably affect the financial position and performance of the Holding Company in the next six months.

The Holding Company is in the process of installing the falling film evaporator at principal unit and satellite unit also. Falling film evaporators are alternative to Robert type evaporators and helps to improve the optimization of the evaporators station and energy efficiency of the plant. The percentage of steam's usage will be reduced by 9%. It would also increase the recovery ratio accordingly.

The Holding Company has availed further facility of Rupees 165.700 million under SBP Refinance Scheme for payment of wages and salaries.

The production of textile products (yarn) has been 1 856 494 kgs during the period which is more than the production of textile segment for the whole previous year. Moreover, with the installation of better plant and machinery, the quality of textile products will be improved.

The Company is in negotiation with its banks to avail further long term financing and short term borrowings so that it can enhance its capital expenditure for new plant and machinery and for improving working capital lines to avail better quality raw material in time.

The future business plan shows improvement in cash generation.

The management and the Board considers that the measures as explained above would result in availability of adequate financial resources for the Holding Company to sustain the continuity of its business for the foreseeable future and thus maintain its going concern status. Accordingly, these consolidated condensed interim financial statements have been prepared on a going concern basis which assumes that the Holding Company will continue to operate its business, realize its assets, and discharge its liabilities, in the normal course of business.

2. Summary of Significant Accounting Policies

2.1. Basis of preparation

a) Statement of compliance

- i). These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
- International Accounting Standard (IAS) 34 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
 - Provisions of and directives issued under the Companies Act, 2017.
 - Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- ii). These consolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Group for the year ended 30 September 2020. These consolidated condensed interim financial statements are un-audited and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and section 237 of the Companies Act, 2017.

b) Accounting policies and computation methods

The accounting policies and methods of computation adopted in the preparation of these consolidated financial statements are the same as approved in the preparation of the audited annual financial statements of the Group for the year ended 30 September 2020.

2.2. Critical accounting estimates, judgments and financial risk management

The preparation of these consolidated condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting

estimates. It also requires the management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of these consolidated condensed interim financial statements, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual financial statements of the Group for the year ended 30 September 2020.

The Group's financial risk management objectives and policies are consistent with those disclosed in the preceding annual audited financial statements of the Group for the year ended 30 September 2020.

2.3. Seasonality of operations

Due to seasonal nature of sugar segment operating results are expected to fluctuate in the next half year than the first six months.

3. Long Term Financing

	31 March 2021 Un-Audited (Rupees in thousand)	30 September 2020 Audited
Opening balance	1,346,880	1,327,973
Add:		
Obtained during the period / year	165,700	265,606
Unwinding of discount / fair value adjustment	21,215	26,096
	1,533,795	1,619,675
Less:		
Repaid during the period / year	41,413	256,998
Deferred income - Government grant	11,231	15,797
	52,644	272,795
	1,481,151	1,346,880
Less: Current portion shown under current liabilities	(574,743)	(279,474)
	906,408	1,067,406

4. Contingencies and Commitments

4.1. Contingencies

- (i) The Government of Punjab under the powers conferred through the Punjab Excise Act, 1914 through notification No. SO. Tax (E&T) 3-4/2012 dated 03 July 2012, levied a duty of Rupees 2 per liter on manufacturing of spirit (biofuel) with effect from 01 July 2012. In view of legal lacunas, discrimination as to other provinces, no legislative competence and lawful authority of Government of Punjab to impose such duty on industrial ethanol which is not alcohol liquor and the fact that the Holding Company is exporter of the spirit which is exempted under Order 6 of the Punjab Liquor Import, Export, Transportation and Possessions Orders, the management of the Holding Company through its legal counsel has challenged the imposition of said levy and is currently contesting it at Honorable Lahore High Court, Lahore. Keeping in view all the court proceedings and grounds discussed in various higher courts, Punjab Government, after due deliberations of the Provincial Cabinet of the Punjab Government, on 20 August 2019, through its notification no. SO(E&M)2-5/2018/ED withdrew the imposed duty

of Rupees 2 per liter upon the manufacture of spirit in any distillery. As per Holding Company's legal counsel, this is clear-cut case and the decision of the case shall be in favor of the Holding Company. In view of the aforesaid, the duty on manufacturing of spirit (biofuel) previously recognized as liability amounting to Rupees 436.604 million has been de-recognized and Rupees 229.918 million previously deposited on this account has been recognized as receivable being refundable.

- (ii) The Holding Company has paid an advance amounting to Rupees 12.999 million to Messrs Industrial Enterprises for designing the boiler project to use only biogas as fuel with no option of burning bagasse. However, the boiler could not generate steam as per specification. It is unlikely that this project will be completed. Therefore the Holding Company has gone into litigation with Messrs Industrial Enterprises in Civil Court, Jhang on 03 July 2018 for the recovery of the advance paid along with damages. Based on the advice of legal counsel, there are favourable grounds that the case will be decided in favour of the Holding Company and the advance amount paid will be refunded back.
- (iii) An appellate order was made by Commissioner Inland Revenue, Appeals, Lahore on 30 November 2020 under section 33 of Federal Excise Act, 2005, confirming payment of federal excise duty of Rupees 12.757 million including penalty regarding export of sugar to Afghanistan through land route in 2014. The Holding Company has filed appeal before Appellate Tribunal Inland Revenue, Lahore against this order on 23 December 2020. No provision has been recognized in the books of account as the Holding Company is confident on positive outcome of the appeal, on the advice of legal counsel.
- (iv) The Competition Commission of Pakistan (CCP) issued show cause notices on 03 November 2020 and 04 November 2020, under the provisions of the Competition Act, 2010, demanding facts and materials to satisfy CCP against various violations given in the show cause notice including closure of sugarcane crushing, price hike and other factors. The Holding Company submitted replies before the CCP on 21 November 2020, denying any of the violations contained in the show cause notice. Management is confident that the above-mentioned reply will satisfy CCP accordingly.
- (v) Deputy Commissioner Inland Revenue (DCIR) issued pre-audit reports under section 177(6) of Income Tax Ordinance, 2001 (the Ordinance) relevant to tax years 2018 and 2019 of the Holding Company. The Holding Company obtained stay against the issuance of pre-audit reports from Honourable Lahore High Court, Lahore. Moreover show cause notice under Section 122(9) of the Ordinance has also been issued by DCIR regarding tax year 2018 on 08 December 2020. On the advice of the legal counsel, as the proceedings has been stayed, no contingent liability can be arisen.
- (vi) The Holding Company has received a letter from the Corporate Supervision Department, Company Law Division of the Securities and Exchange Commission of Pakistan (SECP) dated 19 March 2021 regarding examination of annual audited financial statements of the Holding Company for the year ended 30 September 2020 by asking several queries and demanding various information. Against this letter, the Holding Company has obtained stay from Honorable Lahore High Court, Lahore on 26 April 2021, subsequent to the reporting date.
- (vii) The Deputy Commissioner Inland Revenue has passed orders against the Holding Company dated 23 November 2020 and raised demands of sales tax amounting to Rupees 164.609 million, Rupees 1,017.747 million and Rupees 802.714 million relating to tax year 2017, 2018 and 2019 respectively on the grounds of suppression of production / sales of molasses, bagasse and mud along with default surcharge and penalty under Sales Tax Act, 1990. However, subsequently to the reporting date on 12 April 2021, stay was allowed by Appellate Tribunal Inland Revenue. No provision against the above-mentioned demands has been created as the proceedings have currently been stayed.

- (viii) The Deputy Commissioner Inland Revenue has passed an order against the Holding Company dated 23 November 2020 and raised demand of Federal Excise Duty in sales tax mode amounting to Rupees 475.145 million relating to tax year 2017 on the grounds of suppression of production / sales of white crystalline sugar along with default surcharge and penalty under federal Excise Act, 2005. However, subsequently to the reporting date on 12 April 2021, stay was allowed by Appellate Tribunal Inland Revenue. No provision against the above-mentioned demands has been created as the proceedings have currently been stayed.
- (ix) On 31 March 2021, an Information Document Request (IDR) under section 177(1) of the Ordinance for tax year 2015 was issued to the Holding Company by the Deputy Commissioner Inland Revenue. Subsequent to the reporting date on 14 April 2021, pre audit report under section 177(6) of the Ordinance was issued by Deputy Commissioner Inland Revenue. The Holding Company, on advice of legal counsel, expects positive outcome of above-mentioned case and therefore no liability has been recognized in the books of account.
- (x) In addition to above-mentioned matters there are certain cases which have been filed against the Holding Company, primarily by the Holding Company's employees, customers and vendors. However, the management is of the view that in the overall context of these consolidated financial statements, there would be no significant liability of the Holding Company against such cases.
- (xi) Bank guarantee amounting to Rupees 59.400 million (30 September 2020: Rupees 59.400 million) given by the Bank of the Subsidiary Company in favor of Sui Northern Gas Pipelines Limited for the performance of contract.
- (xii) The Subsidiary Company has filed an appeal before the Commissioner Inland Revenue (Appeals) against order passed by the Additional Commissioner Inland Revenue for the tax year 2011 under Section 122 (5A) of Income Tax Ordinance, 2001 (the Ordinance) whereby tax demand of Rupees 6.240 million was created. However, on request for rectification, the tax demand was curtailed to Rupees 1.290 million. The main appeal has been heard on 15 October 2020, and the learned Commissioner Inland Revenue (Appeals) has deleted the tax demand of Rupees 1.290 million. Additions to the deemed income amounting to Rupees 1.280 million remain in field by deleting impugned additions of Rupees 89.800 million. Based on tax advisor's opinion, management is confident that no tax liability would arise, therefore, no provision has been made in these consolidated condensed interim financial statements.
- (xiii) Assessment for the tax year 2012 was amended under Section 122 (5A) of the Ordinance resulting into additions of Rupees 17.210 million and income tax demand of Rupees 3.366 million from the Subsidiary Company. On appeal, the learned Commissioner Inland Revenue (Appeals) has deleted all the additions and demand vide order number O5 dated 12 July 2018 while the department has preferred further appeal against this order of the Commissioner Inland Revenue (Appeals) which is pending for adjudicating before the Appellate Tribunal Inland Revenue.
- (xiv) Proceedings under Section 122 (5A) of the Ordinance were initiated and order passed for the tax year 2013 wherein arbitrary additions to the tune of Rupees 177.439 million and tax demand of Rupees 85.448 million were made. This triggered the Subsidiary Company for filing an appeal before the learned Commissioner Inland Revenue (Appeals) who vide order dated 14 June 2018 annulled the amended assessment order for de-novo proceedings. In reassessment proceedings, additions were curtailed to Rupees 32.625 million. On filing an appeal before the learned Commissioner Inland Revenue (Appeals), additions to the tune of Rupees 25.153 million were annulled through order number O1 dated 06 January 2020. The Subsidiary Company has filed an appeal against the said order before the Appellate Tribunal Inland Revenue which is pending for hearing.

- (xv) Proceedings under sections 161/205 of the Ordinance for the tax years 2014, 2015 and 2016 have been initiated and concluded by Deputy Commissioner Inland Revenue on 14 February 2017, 03 March 2017 and 23 February 2018 respectively. Under these proceedings, demand of Rupees 1.349 million, Rupees 1.396 million and Rupees 1.305 million respectively have been created. The Subsidiary Company has filed appeals before the concerned Commissioner Inland Revenue (Appeals) against orders of aforementioned years. With respect to tax year 2014, the appeal of the Subsidiary Company was heard by the learned Commissioner Inland Revenue (Appeals) who deleted impugned recovery amounting to Rupees 0.247 million vide order dated 21 May 2020. The default surcharge was also deleted subject to verification of refunds. Both the Subsidiary Company and Deputy Commissioner Inland Revenue had preferred further appeals before the Appellate Tribunal Inland Revenue which are pending for adjudication. The appeal for tax year 2015 has been concluded by the learned Commissioner Inland Revenue (Appeals) by deleting impugned demand of Rupees 0.904 million vide order dated 23 September 2020. Based on tax advisor's opinion, management expects favorable outcome of the appeals, therefore no provision has been recorded in these consolidated financial statements.
- (xvi) The Subsidiary Company was selected for audit of its income tax affairs for the tax year 2014 in the random computerized balloting held on 14 September 2015. The proceedings under Section 177 read with Section 122 of the Ordinance were completed creating tax demand of Rupees 3.074 million and impugned additions of Rupees 71.312 million. On appeal before the learned Commissioner Inland Revenue (Appeals), additions to the tune of Rupees 5.993 million were deleted and demand of tax was confirmed through order number 03 dated 05 June 2020. Both the Subsidiary Company and the Income Tax Department have further assailed the order before the Appellate Tribunal Inland Revenue which is pending for adjudication. Based on the tax advisor's opinion, management is confident of favorable outcome of the appeal. Therefore, no provision has been made in these consolidated condensed interim financial statements.
- (xvii) Proceedings under Section 122 read with Section 177(1) of the Ordinance for the tax year 2015 were culminated into amended assessment order dated 30 September 2020 whereby tax demand of Rupees 3.232 million has been raised. The Subsidiary Company has filed an appeal before the learned Commissioner Inland Revenue (Appeals) which is pending for adjudication. Based on the tax advisor's opinion, management is confident of favorable outcome of the appeal. Therefore, no provision has been made in these consolidated condensed interim financial statements.

4.2. Commitments

- (i) Contracts for capital expenditure of Group are of Rupees 2.710 million as at 31 March 2021 (30 September 2020: Rupees 8.800 million).
- (ii) Ijarah (operating lease) commitments are of Rupees 30.722 million as at 31 March 2021 (30 September 2020: Rupees 45.912 million).

	Note	31 March 2021 Un-Audited (Rupees in thousand)	30 September 2020 Audited
5 Property, plant and equipment			
Operating fixed assets	5.1	14,888,116	15,961,600
Capital work-in-progress		217,156	216,640
		<u>15,105,272</u>	<u>16,178,240</u>
5.1 Operating fixed assets			
Opening book value		15,961,600	15,823,049
Add: Cost of addition during the period / year	5.1.1	127,814	240,661
Transfer from right-of-use assets / assets subject to finance arrangements		-	809,100
		<u>16,089,414</u>	<u>16,872,810</u>
Less:			
Book value of deletion during the period / year		206,253	10,863
Transferred to non-current assets held for sale	7.1	571,266	-
		<u>777,519</u>	<u>10,863</u>
		15,311,895	16,861,947
Less: Depreciation charged during the period / year		423,779	900,347
Closing book value		<u>14,888,116</u>	<u>15,961,600</u>
5.1.1 Cost of additions during the period / year			
Building		10,000	15,356
Plant and machinery		102,992	202,723
Tools and equipment		3,552	332
Water electric and weighbridge equipment		10,091	16,506
Furniture and fixture		140	709
Office equipment		1,039	2,433
Vehicles		-	2,602
		<u>127,814</u>	<u>240,661</u>
		31 March 2021 Un-Audited (Rupees in thousand)	30 September 2020 Audited
6. Stock-in-Trade			
Raw materials		1,450,111	775,667
Work-in-process		15,287	16,100
Finished goods		1,118,599	1,047,523
		<u>2,583,997</u>	<u>1,839,290</u>

7. Non-Current Assets Held for Sale

The non-current assets classified as held for sale under IFRS-5 "Non-Current Assets held for Sale and Discontinued Operations" are summarized hereunder:

Property, plant and equipment	<u>571,266</u>	<u>-</u>
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Specific items of freehold land, plant and machinery of Sugar segment of the Holding Company have been presented as held for sale following the approval of Board of Directors (BOD) of the Company in the meeting held on 04 January 2021. The buyers of these assets have been finalized and partial advances against sale of these assets aggregating to Rupees 693.300 million have been received. The management is hopeful of completing the sale transactions of the above mentioned assets uptill the end of the current financial year.

7.1. Book value of assets transferred from property, plant and equipment (Note 5.1)

Freehold land	148,548	-
Plant and machinery	422,718	-
Carrying value of non-current assets held for sale	<u>571,266</u>	<u>-</u>

8. SEGMENT INFORMATION

																		(Un-audited)
Sugar		Biofuel		Textile		Farms		Dairy		Juice		Others		Elimination of Inter-segment transactions		Total		
Half year ended		Half year ended		Half year ended		Half year ended		Half year ended		Half year ended		Half year ended		Half year ended		Half year ended		
31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	

(Rupees in thousand)

8.1 Revenue

External	6,244,219	4,360,657	320,775	1,257	610,820	477,705	35,815	17,191	8,829,419	7,426,436	52,854	31,699	-	-	-	-	16,093,902	12,314,945
Intersegment	656,364	796,214	2,441	25,932	-	-	8,315	16,463	-	-	-	-	-	-	(667,120)	(838,609)	-	-
	6,900,583	5,156,871	323,216	27,189	610,820	477,705	44,130	33,654	8,829,419	7,426,436	52,854	31,699	-	-	(667,120)	(838,609)	16,093,902	12,314,945
Cost of sales	(7,155,661)	(5,446,664)	(339,357)	(112,204)	(630,807)	(499,256)	(33,715)	(30,167)	(7,657,099)	(6,827,902)	(71,267)	(44,374)	-	-	667,120	838,609	(15,220,786)	(12,121,958)
Gross (loss) / profit	(255,078)	(289,793)	(16,141)	(85,015)	(19,987)	(21,551)	10,415	3,487	1,172,320	598,534	(18,413)	(12,675)	-	-	-	-	873,116	192,987
Administrative expenses	(178,043)	(151,926)	(8,339)	(1,043)	(18,413)	(16,972)	(529)	(696)	(72,067)	(73,198)	-	-	-	-	-	-	(277,391)	(243,835)
Distribution cost	(15,283)	(13,232)	(38,660)	(40,690)	(1,118)	(1,015)	-	-	(806,281)	(976,143)	(1,466)	(3,076)	-	-	-	-	(862,808)	(1,034,157)
	(193,326)	(165,158)	(46,999)	(41,733)	(19,531)	(17,987)	(529)	(696)	(878,348)	(1,049,341)	(1,466)	(3,076)	-	-	-	-	(1,140,199)	(1,277,992)
(Loss) / profit before taxation and unallocated income and expenses	(448,404)	(454,951)	(63,140)	(126,748)	(39,518)	(39,538)	9,886	2,791	293,972	(450,807)	(19,879)	(15,751)	-	-	-	-	(267,083)	(1,085,005)

Unallocated income and expenses:

Other expenses																	(123,891)	(10,679)
Finance cost																	(288,403)	(352,711)
Other income																	55,908	734,906
Taxation																	(157,298)	101,659
Loss after taxation																	(780,767)	(611,830)

8.2 Reconciliation of reportable segment assets and liabilities:

														(Un-audited)	(Audited)
Sugar		Biofuel		Textile		Farms		Dairy		Juice		Others		Total	
31 March 2021	30 September 2020	31 March 2021	30 September 2020	31 March 2021	30 September 2020	31 March 2021	30 September 2020	31 March 2021	30 September 2020	31 March 2021	30 September 2020	31 March 2021	30 September 2020	31 March 2021	30 September 2020

(Rupees in thousand)

Total assets for reportable

segments	5,860,216	7,007,614	3,033,592	2,225,377	523,288	447,340	823,358	823,504	9,078,493	9,104,055	710,252	766,549	-	-	20,029,199	20,374,439
Unallocated assets															454,970	475,633
Non-current assets held for sale															571,266	
Total assets as per consolidated condensed interim statement of financial position															21,055,435	20,850,072

Total liabilities for reportable

segments	5,113,376	3,994,335	1,314,674	1,369,828	243,318	258,307	15,795	18,085	6,487,403	6,594,715	203,484	186,031	-	-	13,378,050	12,421,301
Unallocated liabilities															61,980	31,276
Total liabilities as per consolidated condensed interim statement of financial position															13,440,030	12,452,577

		Half Year Ended (Un-audited)	
		31 March 2021 (Rupees in thousand)	31 March 2020
9. CASH GENERATED FROM OPERATIONS			
Loss before taxation		(623,469)	(713,489)
Adjustments for non-cash charges and other items:			
Depreciation of operating fixed assets owned		423,779	488,910
Depreciation on right of use assets / assets subject to financing arrangement		37,599	-
Amortization of intangible asset		661	607
Gain on sale of property, plant and equipment		109,313	(45)
Amortization of deferred grant		8,955	-
Finance cost		275,140	334,768
Adjustment on account of excise duty on manufacturing of ethanol		-	(666,734)
Liabilities no longer payable written back		(3,295)	-
Allowance for expected credit losses		-	1,062
Exchange loss		-	3
Provision for employees' retirement benefits		72,681	22,946
Interest income on loan to SNGPL		-	(19)
Amortization of deferred income		(553)	(588)
Fair value adjustment of agricultural assets		(1,971)	-
Unrealized loss / (gain) on agriculture income		2,422	-
Provision for workers' profit participation fund		11,555	9,255
Working capital changes (Note 9.1)		204,055	622,451
		516,872	99,127
9.1 Working capital changes			
(Increase) / decrease in current assets:			
Stock-in-trade		(744,707)	(1,180,069)
Trade debts		(26,631)	(5,715)
Stores, spare parts and loose tools		12,201	34,370
Loans and advances		531	-
Deposits, prepayments and other receivables		(7,527)	(210,227)
Biological assets - net		(1,217)	3,714
		(767,350)	(1,357,927)
(Decrease) / Increase in trade and other payables		971,405	1,980,378
		204,055	622,451

10. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated companies, key management personnel and post employment benefit plans. The Group in the normal course of business carries out transactions with various related parties as follows:

	(Un-audited)			
	Half year ended		Quarter ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	(Rupees in thousand)			
i) Transactions				
Associated companies				
Purchase of goods	552,710	257,444	371,859	169,876
Common expenses shared	4,696	6,258	2,840	6,003
Insurance expenses	4,244	4,595	2,215	2,067
Sale of goods and rendering of services	551,340	260,508	368,777	175,285
Finance cost	32,069	37,023	16,035	18,512
Short term borrowings obtained	425,000	100,000	425,000	-
Short term borrowings repaid	425,000	100,000	400,000	-
Ijarah rentals	1,186	6,495	570	3,248
Long term loan repayment	-	66,667	-	33,334
Staff residence rent and utilities expenses	1,942	1,739	1,047	1,739
Other related parties				
Holding Company's contribution to Employees' retirement benefits	6,636	3,554	3,532	1,777
Mark-up expense	-	17,076	-	8,866
Godown and guest house rent	1,183	1,460	592	730
Share of common expenses	1,127	2,061	564	1,031
Service charges accrued	3,058	2,780	1,529	1,390
Remuneration paid to Chief Executive Officer, directors and executives	89,158	87,347	58,164	34,965
ii) Period end balances				
Associated companies				
Trade and other payables			63,538	67,882
Cash and bank balances			3,257	87
Loans and advances			7,700	8,847
Short term borrowings			425,000	425,000
Other related parties				
Trade and other payables			72,795	77,037
Loans and advances			2,696	2,293

11. Recognized Fair Value Measurements - Financial Instruments

11.1. Fair value hierarchy

Judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these unconsolidated condensed interim financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into following three levels. An explanation of each level follows underneath the table:

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

Financial assets - recurring fair value measurement

At 31 March 2021 - (Un-audited)

At fair value through other comprehensive income	11,900	-	-	11,900
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At 30 September 2020 - Audited

At fair value through other comprehensive income	13,223	-	-	13,223
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The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to the short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the period. Further there was no transfer out of level 3 measurements.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, trading and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

12. Date of Authorization of Issue

These consolidated condensed interim financial statements were approved and authorized for issue on 31 May 2021 by the Board of Directors of the Holding Company.

13. Corresponding Figures

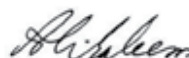
Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison and better presentation as per reporting framework however, no significant re-arrangements have been made.

14. General

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.



Chief Executive Officer



Director



Chief Financial Officer

ڈائریکٹرز کا جائزہ

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2021ء کو ختم ہونے والی ششماہی کے لئے کمپنی اور گروپ کی غیر نظر ثانی شدہ متحدہ عبوری مالیاتی معلومات بخوشی پیش کر رہے ہیں۔

مالی اور آپریشنل کارکردگی:

پچھلے سیزن کے مقابلے میں 10 دن پہلے کرشنگ مہم کے آغاز نے شکرگنج کو اپنی کرشنگ بڑھانے میں کامیاب کر دیا اور زیر جائزہ مدت کے دوران کمپنی اسی عرصے میں 884,724 MT گنے کے مقابلے میں 1,006,075 MT گنے کو پچھلے میں کامیاب رہی۔ تاہم، ایک بار پھر، کاشکار پنجاب حکومت کی طرف سے مقرر کردہ نرخ پر گنا فروخت کرنے پر راضی نہیں تھے۔ ملوں نے اس کی درخواست کی تھی اور حکومت نے گنے کی سپلائی چین میں ٹرل مین کی شمولیت کو ختم کرنے پر اتفاق کیا تھا، اس پر عمل درآمد نہیں ہو سکا۔ ٹرل مین اعلیٰ قیمتوں کو حاصل کرنے کے لئے آزادانہ طور پر گنے میں سودے بازی کر رہا تھا جس سے گنے کی قلت پیدا ہو گئی اور گنے کی عدم فراہمی نے کرشنگ سیزن میں گنے کی قیمتوں میں اضافے کو برقرار رکھا۔ اس کے نتیجے میں، قیمت میں زبردست اضافہ دیکھنے کو ملا، جس سے مارجن کم ہوا۔ سیزن کے اختتام پر مارکیٹ میں گنے کی قیمتوں میں غیر متناسب اضافہ ہوا اور حتیٰ کہ خریداری اس سے بھی زیادہ قیمت 350 روپے فی 40 کلو گرام پر کی جا رہی تھی۔ اس سے شکرگنج کے لئے گنے کی اوسط قیمت 250 روپے فی 40 کلو گرام روپے سے زیادہ ہو گئی۔

حکومت کی غیر متوقع اور متضاد پالیسیوں اور اقدامات نے چین کی صنعت میں تمام اسٹیک ہولڈرز کے لئے منفی اثر ڈالا۔ حکومت نے قیمت میں اضافے کی وجوہات کی تحقیقات کے لئے شوگر انکوائری کمیشن تشکیل دیا لیکن اس رپورٹ کے نتیجے میں قیمتوں میں مزید اضافہ ہوا اور کمیشن کے ذریعہ رپورٹ کردہ حقائق اور اعداد و شمار اس رپورٹ کے نتیجے میں پیدا ہونے والے منظر نامے میں سچ ثابت نہیں ہو سکے۔ اگرچہ حکومت کا ارادہ خراب نہیں تھا لیکن ابھی تک اپنا یا ہوا طریقہ کار مناسب نہیں ہے۔ حکومت کو شوگر کی صنعت کو مسائل کا حل تلاش کرنے کے لئے شامل کرنا چاہئے تھا لیکن بد قسمتی ہے کہ شوگر سپلائی چین میں اسٹیک ہولڈرز کو شامل کرنے کے بجائے حکومت شوگر ملز کے خلاف زبردستی اقدامات کرنے میں مصروف ہے۔ مزید یہ کہ حکومت کی ہدایت پر، فیڈرل بورڈ آف ریونیو نے انکم ٹیکس اور سیلز ٹیکس دونوں ایریا میں شوگر ملوں کے جائزے کے معاملات کھولنا شروع کر دیے اور یہاں تک کہ بہت ہی معمولی اور غیر منطقی بنیادوں پر بھی اربوں روپے کے زبردست مطالبات پیدا کرنا شروع کر دیئے جس سے مستقبل میں شدید غیر ضروری قانونی چارہ جوئی میں بڑے پیمانے پر اضافہ ہوگا۔

ہماری ڈسٹریکٹ کی کارروائیاں بھی جزوی طور پر مولاس کی خریداری سے شروع کی گئیں لیکن بڑے پیمانے پر نہیں۔ چین اور بائیو فیول کے ہمارے بنیادی شعبہ جات میں خام مال کی قیمتوں میں مسلسل اضافہ ہوا جس نے چلی لائن کو منفی میں پیش کیا۔ چین کی فروخت کی قیمتوں میں اضافے کے باوجود، کمپنی کو ٹیکس کے بعد مجموعی طور پر پچھلے سال کے اسی عرصے میں 398.98 ملین روپے نقصان کے مقابلے میں 798.80 ملین روپے کا نقصان ہوا۔

31 مارچ 2021 کو ختم ہونے والے آدھے سال کے دوران، کمپنی کی مجموعی فروخت سے آمدنی 7,383.3 ملین روپے (4,942.9:HY20 ملین روپے) رہی۔ اسی عرصے کے دوران کمپنی کا مجموعی خسارہ گزشتہ سال اسی عرصے میں 392.9 ملین روپے کے مجموعی نقصان کے مقابلے میں 280.8 ملین تھا۔ ٹیکس سے پہلے کمپنی کا خسارہ گزشتہ عرصے میں 415.23 ملین روپے کے مقابلے میں 676.75 ملین روپے تھا۔

کاروباری شعبہ جات: شوگر ڈویژن

مالی سال 2021 کے پہلے نصف میں شوگر ڈویژن کی آمدنی پچھلے سال کی خالص فروخت 4,446.7 ملین روپے بشمول انٹر سیکٹ فروخت 710.1 ملین روپے کے مقابلے میں 6,415.9 ملین روپے بشمول انٹر سیکٹ فروخت 484.7 ملین روپے رہی۔ شوگر ڈویژن نے 1,006,075 میٹرک ٹن (884,724 MT:HY20) گنا کرش کر کے 9.13 فی صد (8.76:HY20) کی اوسط سے 91,837 میٹرک ٹن (77,560 MT:HY20) چینی پیدا کی۔ شوگر ریکوری زیر جائزہ مدت کے دوران بہتر ہوئی۔

سیزن کے جلدی آغاز اور چینی کی قیمت فروخت میں اضافے کی وجہ سے پچھلے سال کے اسی عرصے کے مقابلے میں پیداوار اور فروخت میں نمایاں اضافہ ہوا۔ تاہم، سخت مقابلے کی وجہ سے خام مال کی لاگت میں اضافہ ہوا جس کے نتیجے میں موجودہ مدت کے دوران 3.70 فی صد کا مجموعی نقصان ہوا، اس کے مقابلے میں گزشتہ سال کے اسی عرصے کے دوران مجموعی نقصان 5.62 فی صد رہا۔ چلی لائن پچھلے سال کے اسی عرصے میں ٹیکس سے پہلے 455.0 ملین روپے خسارے کے مقابلے میں ٹیکس سے پہلے 448.4 ملین روپے کا خسارہ ہوا۔

بائیو فیول ڈویژن:

اس عرصے کے دوران بائیو فیول ڈویژن کی خالص فروخت آمدنی پچھلے سال کی خالص فروخت 1.3 ملین روپے بشمول انٹر سیکٹ فروخت 25.9 ملین روپے کے مقابلے میں 320.8 ملین روپے بشمول انٹر سیکٹ فروخت 2.4 ملین روپے رہی۔ اس مدت کا مجموعی نقصان پچھلے سال کے 85.0 ملین روپے منافع کے مقابلے میں 16.1 ملین روپے رہا۔ چلی لائن پچھلے سال کے اسی عرصے میں ٹیکس سے پہلے 126.75 ملین روپے خسارے کے مقابلے میں ٹیکس سے پہلے 63.14 ملین روپے کا خسارہ ہوا۔ اس ڈویژن کی پیداوار 5.62 ملین لیٹرز (7.21:HY20 ملین لیٹرز) تک کم ہوئی۔ بائیو فیول کی کاروائیاں زیر جائزہ مدت کے دوران دیر سے شروع کی گئیں اور کمپنی نے اپنی برآمدات بھی شروع کر دیں۔

ٹیکسٹائل ڈویژن

ٹیکسٹائل ڈویژن کی آمدنی پچھلے سال اسی عرصے میں 477.7 ملین روپے سے نمایاں طور پر بڑھ کر 610.8 ملین روپے ہو گئی۔ یارن کی پیداوار 1.86 ملین کلو گرام (1.55:HY20 ملین کلو گرام) تک بڑھ گئی۔ اس مدت میں مجموعی نقصان 19.99 ملین روپے رہا۔ کاشن کی قیمت تقریباً 25 فی صد تک بڑھی لیکن یہ یارن کی قیمتوں کے متناسب نہیں تھا جو کہ تقریباً صرف 10 فی صد تک بڑھیں۔ موجودہ مدت کے دوران ٹیکسٹائل ڈویژن کے مجموعی خسارے کا مارجن پچھلی مدت کے 4.51 فی صد کے مقابلے میں 3.27 فی صد رہا۔ نقصان میں اضافے کے بنیادی عوامل میں خام مال کی لاگت اور بجلی کی فی یونٹ لاگت میں نمایاں اضافہ شامل ہے۔ چلی لائن پچھلے سال کے اسی عرصے میں ٹیکس سے پہلے 39.54 ملین روپے خسارے کے مقابلے میں ٹیکس سے پہلے 39.52 ملین روپے کا خسارہ ہوا۔

غیرمجمعی مالی پوزیشن

31 مارچ 2021 - پیبلنس شیٹ 30 ستمبر 2020 کے 12,734.6 ملین روپے کے مقابلے میں 13,225.2 ملین روپے پر رہی۔ مجموعی شیئر ہولڈرز فنڈ 30 ستمبر 2020 کے 6,858.5 ملین روپے کے مقابلے میں، 6,058.4 ملین روپے تک کم ہو گیا۔ بریک اپ ویلیو 48.47 روپے تھی۔

مجمعی مالی پوزیشن

مجمعی بنیاد پر فنانس لاگت اور ٹیکس سے پہلے آپریٹنگ نقصان 335.07 ملین روپے (HYFY20: 360.78 ملین روپے نقصان) تھا۔ گروپ کو HYFY20 میں ٹیکس کے بعد 611.83 ملین روپے نقصان کے مقابلے میں اس مدت میں ٹیکس کے بعد مجموعی نقصان 780.76 ملین روپے تھا۔ زیر جائزہ مدت کے دوران، شکر گنج فوڈ پروڈکٹ لمیٹڈ - سبسڈری کمپنی کا ٹیکس کے بعد منافع 37.89 ملین روپے (HYFY20: 448.43 ملین روپے ٹیکس کے بعد نقصان) تھا۔ فروخت کی قیمت میں اضافے اور فروخت کے حجم کی وجہ سے ماتحت کمپنی کے نتائج میں نمایاں بہتری آئی ہے۔ ان پٹ لاگت پر قابو پالیا گیا، لہذا تمام شعبہ جات میں مارجن بہتر ہوئے۔ ترقی کے تسلسل کے نتیجے میں مالی سال 2021 کے اگلے حصے میں پگھلاؤ اور بھی بہتر ہوگی۔

گروپ کی بنیاد پر پیبلنس شیٹ 30 ستمبر 2020 کے 20,850.07 ملین روپے کے مقابلے میں 21,055.44 ملین روپے پر رہی۔ مجموعی ایکویٹی 8,397.50 ملین روپے سے 31 مارچ 2021 پہ 7,615.41 ملین روپے تک کم ہو گئی۔

صحت، حفاظت، ماحول اور کارپوریٹ سماجی ذمہ داری

محفوظ اور صحتمند کام کے ماحول کو یقینی بنانے کے لئے، کمپنی COVID-19 وبائی مرض کی ڈیولپمنٹ کے مطابق اپنی صحت اور حفاظت کے طریقوں کو ڈھال رہی ہے۔ اقدامات میں بلا قتل کارروائیوں کے لئے دفتر میں حاضر ہونے کے لئے ضروری عملے کی درجہ بندی بھی شامل ہے، جبکہ دوسرے عملے کو گھر سے کام میں منتقل کر دیا گیا ہے۔ تمام کارکنوں اور عملے کو ترجیحی بنیادوں پر کوویڈ ٹیسٹیشن کی بھی تجویز کی جاتی ہے۔ ٹیکنیکی پیشرفت نے ورچوئل میٹنگز میں تبدیلی کے ذریعہ کم سے کم جسمانی تعامل کو ممکن بنایا ہے۔ وبائی مرض کا سامنا کرنے والی صورتحال کو کم کرنے کے لئے تمام تر کوششیں جاری ہیں۔ ہم ان سرگرمیوں میں حصہ لینے کے فعال طور پر مواقع تلاش کرتے ہیں جن میں ہم کام کرتے ہیں اور اس ماحول کو بہتر بناتے ہیں جو ہم سب کو برقرار رکھتا ہے۔ ہماری بنیادی توجہ کے شعبے تعلیم، صحت اور حفاظت، توانائی کا تحفظ، فضلہ کی کمی، اور کمیونٹی کی تعمیر ہیں۔

مستقبل کا نقطہ نظر:

کورونا وائرس کی بیماری کے پیش نظر، کاروباری سرگرمیوں کو بری طرح سے نقصان اٹھانا پڑا جس سے آئندہ کے آؤٹ لک پر بھی اثر پڑے گا۔ اقتصادی سرگرمیوں میں سست روی نے پہلے ہی برآمدات کے شعبے کو متاثر کیا ہے کیونکہ بین الاقوامی طلب میں نمایاں کمی واقع ہوئی ہے۔ کمپنی کی انتظامیہ جہاں بھی ممکن ہو کاروبار کے تسلسل کے لیے تمام ضروری اقدامات کر رہی ہے۔ ہماری ڈسٹریبٹرز کے کاموں کا مستقبل کا آؤٹ لک ہمیشہ اچھے معیار کے مولا س کی مستقل دستیابی پر منحصر ہوتا ہے۔ ابھی، خام مال کی مارکیٹ قیمت میں نمایاں اضافہ ہوا ہے، تاہم انتظامیہ اس صورتحال کا جائزہ لے رہی ہے اور اس کی خریداری بہتر مارجن سے مشروط کی جائے گی۔ بصورت دیگر کمپنی کے پاس موجود اسٹاک اس کی ڈسٹری کی کارروائیوں کو جاری رکھنے کے لئے استعمال ہوگا۔ ٹیکسٹائل کے کاروبار میں کاروبار کے مشکل ماحول نے ہمیں ٹیکسٹائل کے عمل کو بند کرنے پر مجبور کر دیا۔ تاہم، ہم اگلے مہینے میں ٹیکسٹائل ڈویژن کی کاروائیاں دوبارہ شروع کرنے کا منصوبہ بنا رہے ہیں۔

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

مجاہد بورڈ

انجم محمد سلیم

چیف ایگزیکٹو آفیسر

علی الطاف سلیم

ڈائریکٹر

31 مئی 2021ء



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