



Shakarganj
Limited



CONDENSED INTERIM REPORT
FOR THE HALF YEAR ENDED
31 MARCH 2022



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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 (Independent)	Sheikh Asim Rafiq
7. Non-Executive Director	Yasir Ghaffar
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.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.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

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 office in Faisalabad.

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

Sugar Business:

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

Biofuel Business:

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

Textile Business:

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

Farming & Allied Business:

This comprises different parcels of land mainly located in Jhang District near our manufacturing facilities. Total area for cultivation is 790 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 2022.

Financial and Operational Performance:

Shakarganj performed well at sugar front and achieved highest sugarcane crushing as compared to its last five season's crushing figures at half year end. Despite, late start of crushing campaign by 5 days as to previous season, Shakarganj enabled to increase its crushing significantly and during the period under review Company was able to crush 1,288,891 MT of sugarcane as compared to 1,006,075 MT of sugarcane in the corresponding period. There was more than 28% increase in crushing as compared to last season.

Notified support price of sugarcane was Rs. 225 per 40 kg in Punjab, however, sugarcane was procured at considerably higher price resulting tough competition among the mills during the period under review. Growers were not willing to sell sugarcane at the rate fixed by the provincial government and 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 resulting cost escalated. Government should take measures to eliminate the involvement of the middleman in the sugarcane supply chain. Sugarcane prices in the market at the peak of the season were increased and as a result average sugarcane cost for Shakarganj increased to Rs. 255 per 40 kg as compared to Rs. 251 per 40 kg in the corresponding period.

Cultivated area of sugarcane crop for the season under review was expected to be higher as reported by the growers. However, unpredictable and inconsistent policies and actions of the Government impacted negatively on all the stakeholders in sugar industry. 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 engaged coercive measures against the sugar mills. Under Federal Board of Revenue directions, field formations opened the assessment cases in both income tax and sales tax areas in bulk, however, honorable Lahore High Court recently declared such selections illegal. This would help to decrease unnecessary litigation at large scale.

During the period under review FBR also took a positive step to curb sales tax evasion and control on undocumented sugar trade. These issues were the main root causes of instability in the prices of sugar and sugarcane as well. To resolve the issues, FBR issued Sales Tax General Order No. 05 of 2021-22 with subject of Implementation of Track & Trace System during the start of crushing season and as per this STGO, no sugar bag shall be removed from sugar factory without affixation of tax stamps also called unique identification marking (UTM) provided by the vendor nominated by FBR. The innovative digital monitoring system of sugar production has been implemented in over 79 sugar mills, having 151 production lines nationwide. Owing to this expectedly transparent electronic monitoring of production, FBR registered a growth of more than 30% during the season under review so far.

Our distilleries operations also started late at Shakarganj, however, with better crushing and availability of its own molasses, production was almost double as compared to the corresponding period. Procurement of molasses was made but not on the large scale basis due to financial constraints. Prices of raw material in core areas of sugar and biofuel have constantly increased, reducing margins.

In spite of financial challenges being faced by the Company, the management of the Company performed well during the second quarter as the Company earned Rs. 604.47 million gross profits as compared to gross loss of Rs 151.81 million during corresponding period of last year. Profit from operations remained at Rs 457.70 million and net profit after tax was Rs 344.38 million for the second quarter. However, for the six

months period, there was gross profit of Rs. 338.33 million as compared to gross loss of Rs. 284.32 million during last year same period. Profit from operations was Rs. 130.80 million compared to loss from operations of Rs. 614.20 million. Company earned profit before tax of Rs. 31.15 however there was after tax loss of Rs. 38.88 million as compared to after tax loss of Rs. 798.80 million in the corresponding period of last year. The Company accounted for its share of profit in equity accounted investment in Shakarganj Food Products Limited amounting to Rs. 15.50 million as compared to Rs. 19.85 million in the corresponding period.

The Company remains committed to its best efforts to achieve better performance and to improve its liquidity scenario. Various steps were being taken to overcome the liquidity crunch as details given in Note 1.2 to the condensed interim financial statements attached herewith as all out efforts were being made to improve the production and profitability of the Company through efficiency and effectiveness, reducing production cost. The management considers that the measures explained would result in availability of adequate financial resources for the Company to sustain the continuity of its business for the foreseeable future and thus maintain its going concern status.

Business Segments:

Sugar Division:

Sugar Division revenue net of tax for the first half of Fiscal 2022 was Rs. 8,512 million and inter-segment sale of this division was Rs. 928 million as against net sales revenue of Rs. 6,416 million and inter-segment sale of Rs. 485 million during corresponding period of last year. The Sugar Division crushed 1,288,891 MT (HYFY21: 1,006,075 MT) of sugarcane to produce 119,308 MT (HYFY21: 91,837 MT) of sugar at an average recovery rate of 9.40 percent (HYFY21: 9.13 percent). Increased crushing and better sugar recovery was achieved with the day and night efforts of the management.

Due to better planning and procurement of sugarcane, the production and sales were significantly increased as to corresponding period of last year. There was significant increase in gross profit margin as well which remained 3.86% during the current period compared to gross loss of 3.75% during the corresponding period of last year. With the maximum crushing and increase in sugar recovery, the bottom-line resulted in profit before tax of Rs. 179.3 million as compared to loss before tax of Rs. 448.4 million for the corresponding period last year.

Biofuel Division:

Net sales revenue of Biofuel Division during the period amounted to Rs. 460.6 million with inter segment sale of Rs. 22.6 million as compared to net sales revenue of Rs. 320.8 million with inter segment sale of Rs. 2.4 million during the corresponding period. In spite of comparatively increased production as well as improved selling prices still the gross margins could not be improved and there was gross profit for the period at Rs. 7.30 million as compared to gross loss of Rs. 16.1 million in corresponding period last year. The bottom-line resulted in loss before tax of Rs. 35.27 million as compared to loss before tax of Rs. 63.14 million for the corresponding period last year. The production of this division increased to 10.02 million litres (HYFY21: 5.62 million litres). Biofuel operations were started late, however, the Company started its exports and the management would try to mitigate the situation and to continue its export for better results.

Textile Division:

Textile Division operations were stopped due to continuous losses due to which there was sales revenue of Rs. 34.2 million whereas sales revenues in the corresponding period stood at Rs. 610.8 million. Due to un-proportionate gap in raw material cost and selling prices the operations were abandoned. Due to

closure of operations, there was no production during the period (HYFY21: 1.86 million kg). Gross loss for the period stood at Rs. 28.2 million. Textile Division gross loss margin was 82.33% during the current period as compared to gross loss margin of 3.27% during corresponding period. The factors behind increase in loss and closure of operations was significant increase in per unit cost of electricity. The bottom-line resulted in loss before tax of Rs. 48.56 million as compared to loss before tax of Rs. 39.52 million for the corresponding period last year.

Unconsolidated Financial Position

Balance sheet footing stood at Rs. 21,095.16 million as of 31 March 2022 compared to Rs 19,135.86 million on 30 September 2021. Total shareholders' fund decreased to Rs. 11,177.18 million from Rs. 11,220.9 million as at 30 September 2021. Break-up value per share was Rs. 89.42.

Consolidated Financial Performance

On a consolidated basis, operating profit before finance costs and taxation amounted to Rs. 386.39 million (HYFY21: loss Rs. 335.07 million). Consolidated loss after tax for the Group for the period was Rs. 20.43 million as compared to loss after tax of Rs. 780.76 million in HYFY21. During period under review, profit after tax of Shakarganj Food Products Limited – the subsidiary company was amounted to Rs. 29.57 million (HYFY21: profit after tax Rs. 37.89 million). Profit of subsidiary company was decrease slightly due to decrease in sales volume and increase in input.

On a Group basis, the consolidated balance sheet footing stood at Rs. 28,329.45 million, compared to Rs. 27,669.63 million as at 30 September 2021. Total equity decreased to Rs. 12,653.50 million from Rs. 12,680.97 million as at 31 March 2022.

Health, Safety, Environment and Corporate Social Responsibility

To safeguard the interest of all stakeholders during the recent waves, and now the emerging variant of COVID-19, Omicron, the Company continues to take appropriate measures, including strict implementation of protocols on health and employee safety. These measures have so far permitted continuity of the operations of the Company. We would also like to take this opportunity to appreciate the various relief measures initiated by the government and the State Bank of Pakistan to support the business community to mitigate the adverse impact of COVID-19.

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 at the time of needs. 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:

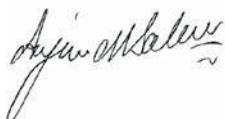
As the area under cultivation increased, management see further increase in the crushing as well as sugar production. Growers are expecting prices more than minimum support price of sugarcane and holding on crop in the field by slowing down the harvesting of sugarcane to catch up maximum price as happened in previous season. Keeping in view the available margins, the management would try to capture late comers and maximize its crushing and productions. On the other hand, government fixed

sugar price however, we expect that all the stakeholders will keep the cost of sugarcane in line with sugar selling prices. We take this opportunity to urge the government to take the necessary steps so that the price of sugar adequately reflects the cost of sugarcane to create a more conducive business environment for the industry, and to develop policies to promote yield and sucrose recovery.

Future outlook of our distilleries operations is always depending on continuous availability of good quality molasses. Operations at Biofuel Division are expected to continue with limited availability of molasses from own Sugar Division. Difficult business environments in the textile business as in view of liquidity crunch and high cost of raw material, the operations could not be started yet. As mentioned in our last annual report, management is taking steps to overcome the liquidity crunch and we are hopeful that the Company will be back in profitable state as operational results dictate so far. In spite of all the challenges, we remain committed to navigating through these tough times.

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

30 May 2022

Unconsolidated Condensed Interim
Financial Statements (Un-audited)
For the Half Year ended 31 March 2022
(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 2022 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 2022 and 31 March 2021 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 2022.

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 38.884 million during the current period and has accumulated losses of Rupees 3,266.116 million as at the reporting date the current liabilities of the Company exceeded its current assets by Rupees 3,255.134 million. These conditions along with other matters as stated in Note 1.2 to the unconsolidated condensed interim financial statements indicate the existence of material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. Our report 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.



RIAZ AHMAD & COMPANY
Chartered Accountants

Faisalabad
Date: 30 May 2022
UDIN: RR202210184HAQ2O7qbX

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 March 2022 (Un-audited)

	Note	31 March 2022 Un-Audited (Rupees in thousand)	30 September 2021 Audited
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
150,000,000 (30 September 2021: 150,000,000) ordinary shares of Rs. 10 each		1,500,000	1,500,000
50,000,000 (30 September 2021: 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 2021: 125,000,000) ordinary shares of Rs. 10 each		1,250,000	1,250,000
Reserves			
Capital Reserves			
Surplus on revaluation of property, plant and equipment - net of deferred income tax		11,045,349	11,466,335
Other capital reserve		1,631,637	1,650,092
		<u>12,676,986</u>	<u>13,116,427</u>
Revenue Reserves			
General reserve		516,306	516,306
		<u>13,193,292</u>	<u>13,632,733</u>
Accumulated losses		(3,266,116)	(3,661,819)
TOTAL EQUITY		<u>11,177,176</u>	<u>11,220,914</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	3	-	-
Employees' retirement benefits		246,853	219,112
Deferred income tax liability		2,822,607	2,864,476
		<u>3,069,460</u>	<u>3,083,588</u>
CURRENT LIABILITIES			
Trade and other payables		5,333,636	3,336,841
Short term borrowings		935,000	935,000
Accrued Mark-up		103,495	56,524
Current portion of non-current liabilities		311,611	416,938
Unclaimed dividend		1,916	1,944
Provision for taxation		162,861	84,111
		<u>6,848,519</u>	<u>4,831,358</u>
TOTAL LIABILITIES		<u>9,917,979</u>	<u>7,914,946</u>
CONTINGENCIES AND COMMITMENTS	4		
TOTAL EQUITY AND LIABILITIES		<u>21,095,155</u>	<u>19,135,860</u>

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


Chief Executive Officer

	Note	31 March 2022 Un-Audited (Rupees in thousand)	30 September 2021 Audited
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	15,698,612	16,166,485
Biological assets		18,804	18,333
Long Term Investments	6	1,748,219	1,737,573
Long term advances and deposits		36,135	36,135
		<u>17,501,770</u>	<u>17,958,526</u>
CURRENT ASSETS			
Biological assets		3,220	16,232
Stores, spare parts and loose tools		75,990	50,572
Stock-in-trade	7	2,105,839	361,197
Trade debts		773,338	82,781
Loans and advances		130,561	44,955
Prepayments and other receivables		300,176	284,512
Cash and bank balances		18,288	1,905
		<u>3,407,412</u>	<u>842,154</u>
Non-current assets held for sale	8	185,973	335,180
		<u>3,593,385</u>	<u>1,177,334</u>
TOTAL ASSETS		<u><u>21,095,155</u></u>	<u><u>19,135,860</u></u>

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


Director


Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

For the Half Year Ended 31 March 2022 (Un-Audited)

	Note	Half Year Ended		Quarter ended	
		31 March 2022	31 March 2021 (Rupees in thousand)	31 March 2022 (thousand)	31 March 2021
Revenue	9	9,047,744	7,383,303	7,367,694	5,076,890
Cost of sales	9	(8,709,416)	(7,667,624)	(6,763,222)	(5,228,697)
Gross profit / (loss)		338,328	(284,321)	604,472	(151,807)
Distribution cost		(47,520)	(51,531)	(36,786)	(45,852)
Administrative expenses		(201,124)	(205,324)	(113,319)	(120,849)
Other expenses		(19,563)	(117,729)	(17,785)	(115,685)
Other income		60,680	44,708	21,113	20,191
Profit / (loss) from operations		130,801	(614,197)	457,695	(414,002)
Finance cost		(115,152)	(121,184)	(81,693)	(73,784)
Share of profit from equity accounted investee		15,500	19,852	67,677	33,657
Profit / (loss) before taxation		31,149	(715,529)	443,679	(454,129)
Taxation		(70,033)	(83,270)	(99,298)	(66,515)
(Loss) / profit after taxation		(38,884)	(798,799)	344,381	(520,644)
(Loss) / earning per share - Basic And diluted (Rupees)		(0.31)	(6.39)	2.76	(4.17)

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 2022 (Un-Audited)

	Half year ended		Quarter ended	
	31 March 2022	31 March 2021 (Rupees in thousand)	31 March 2022	31 March 2021
(LOSS) / PROFIT AFTER TAXATION	(38,884)	(798,799)	344,381	(520,644)
OTHER COMPREHENSIVE LOSS				
Items that will not be reclassified to profit or loss in subsequent periods:				
Deficit arising on remeasurement of investments at fair value through other comprehensive income	(2,454)	(1,323)	(1,602)	(3,240)
Share of other comprehensive income of equity accounted investee	(2,400)	-	(2,400)	-
Items that may be reclassified to profit or loss in subsequent periods	-	-	-	-
Other comprehensive loss for the period	(4,854)	(1,323)	(4,002)	(3,240)
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	(43,738)	(800,122)	340,379	(523,884)

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 2022 (Un-Audited)

													Rupees in thousand	
SHARE CAPITAL	RESERVES											ACCUMULATE D 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 comprehensiv	Difference of capital under scheme of arrangement of merger	Surplus on revaluation of property, plant and equipment - net of	Sub total	General	Dividend equalization	Equity investment market value equalization	Sub total				
Balance as at 30 September 2020 - (Audited)	1,250,000	1,056,373	472,496	(7,898)	155,930	6,087,758	7,764,659	410,606	22,700	83,000	516,306	8,280,965	(2,672,491)	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 - net of deferred income tax	-	-	-	-	-	(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	460,653	(9,221)	155,930	5,969,692	7,633,427	516,306	-	-	516,306	8,149,733	(3,341,381)	6,058,352
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	(138,176)	(138,176)	-	-	-	-	(138,176)	138,176	-
Adjustment of deferred income tax liability due to re-assessment at year end	-	-	-	-	-	(123,543)	(123,543)	-	-	-	-	(123,543)	-	(123,543)
Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment - net of deferred income tax	-	-	-	-	-	(153,247)	(153,247)	-	-	-	-	(153,247)	153,247	-
Incremental depreciation of property, plant and equipment of equity accounted investee - net of deferred income tax	-	-	(11,843)	-	-	-	(11,843)	-	-	-	-	(11,843)	11,843	-
Loss for the period	-	-	-	-	-	-	-	-	-	-	-	-	(589,111)	(589,111)
Other comprehensive income for the period	-	-	-	(1,800)	-	5,911,609	5,909,809	-	-	-	-	5,909,809	(34,593)	5,875,216
Total comprehensive income for the period	-	-	-	(1,800)	-	5,911,609	5,909,809	-	-	-	-	5,909,809	(623,704)	5,286,105
Balance as at 30 September 2021 - (Audited)	1,250,000	1,056,373	448,810	(11,021)	155,930	11,466,335	13,116,427	516,306	-	-	516,306	13,632,733	(3,661,819)	11,220,914
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	(104,100)	(104,100)	-	-	-	-	(104,100)	104,100	-
Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment - net of deferred income tax	-	-	-	-	-	(316,886)	(316,886)	-	-	-	-	(316,886)	316,886	-
Incremental depreciation of property, plant and equipment of equity accounted investee - net of deferred income tax	-	-	(11,226)	-	-	-	(11,226)	-	-	-	-	(11,226)	11,226	-
Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment of equity accounted investee - net of deferred income tax	-	-	(4,775)	-	-	-	(4,775)	-	-	-	-	(4,775)	4,775	-
Loss for the period	-	-	-	-	-	-	-	-	-	-	-	-	(38,884)	(38,884)
Other comprehensive loss for the period	-	-	-	(2,454)	-	-	(2,454)	-	-	-	-	(2,454)	(2,400)	(4,854)
Total comprehensive loss for the period	-	-	-	(2,454)	-	-	(2,454)	-	-	-	-	(2,454)	(41,284)	(43,738)
Balance as at 31 March 2022 - (Un-audited)	1,250,000	1,056,373	432,809	(13,475)	155,930	11,045,349	12,676,986	516,306	-	-	516,306	13,193,292	(3,266,116)	11,177,176

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 2022 (Un-Audited)

		Half year ended	
	Note	31 March 2022 (Rupees in thousand)	31 March 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	10	31,883	235,494
Finance cost paid		(23,345)	(137,010)
Net increase in long term advances and deposits		-	(2,100)
Income tax paid		(33,152)	(42,704)
Net cash (used in) / generated from operating activities		(26,614)	53,680
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(46,148)	(87,989)
Proceeds from sale of property, plant and equipment		17,900	94,653
Proceeds from sale of non-current assets held for sale		174,599	-
Net cash from investing activities		146,351	6,664
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		-	(180,698)
Proceeds from long term financing		-	165,700
Repayment of long term financing		(105,326)	(41,413)
Dividend paid		(28)	(8)
Net cash used in financing activities		(105,354)	(56,419)
NET INCREASE IN CASH AND CASH EQUIVALENTS		16,383	3,925
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD		1,905	8,099
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD		18,288	12,024

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 2022 (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

The Company has suffered loss after taxation of Rs. 38.884 million and its accumulated losses are of Rs. 3,266.116 million as at 31 March 2022. The current liabilities of the Company exceeded its current assets by Rs. 3,255.134 million. Moreover, the Company has some overdue installments of long-term financing, short-term borrowings and overdue statutory obligations. Furthermore Textile segment of the Company remained closed during the whole period. Certain shareholders of the Company have applied to Sindh High Court, Karachi and Lahore High Court, Lahore and obtained stay on 29 November 2021 and 25 February 2022 respectively from the respective courts regarding the approval of disposal of certain agricultural land of the Company. These factors indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, these unconsolidated condensed interim financial statements have been prepared on going concern basis due to following reasons:

- The Company is making arrangements to sell its agriculture land having market value of Rs. 755.547 million. For this purpose, approval of shareholders has been obtained in Annual General Meeting of the Company held on 28 February 2022 subject to further orders of Lahore High Court, Lahore and Sindh High Court, Karachi along with no objection from lenders. The proceeds through disposal of land will be utilized by the Company to pay to sugarcane growers and to settle the other liabilities of the Company while the remaining proceeds will be utilized for upgradation of plant and machinery of textile and sugar divisions at Jhang.

- The management of the Company has firmed up a turnaround plan based on disposal of the Bhone Unit of the Company which includes Sugar and Biofuel divisions. Book value of freehold land, building and plant and machinery as at 31 March 2022 is Rs. 8.442 billion. Price discovery by the management for the whole Bhone Unit of the Company including related licenses / rights when built in the future plan results in debt free business, surplus funds and profits for the Company. The management has planned to seek required approvals for roll out of the turnaround plan before the end of financial year 30 September 2022.

- One of the largest shareholders of the Company has affirmed its commitment to fully financially support the Company, in case of any need.

- The Company undertook significant operational measures during the period to improve its productivity. During the period, the Company has crushed 1 288 891 MT of sugarcane which has increased by more than 28% as compared to 1 006 075 MT of sugarcane crushed in the corresponding period and produced 119 308 MT of sugar in current season which has increased by almost 30% as compared to 91 837 MT of sugar in the corresponding year. Moreover the Company produced 10 017 287 liters of biofuel during the period which has been increased by more than 78% as compared to 5 624 260 liters 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 evaporators. Falling film evaporators are alternative to Robert type evaporators and help to improve the optimization of the evaporator's 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 remains committed to its best efforts to improve liquidity portion. The financial projections of the Company show improvements in cash generation and profits.

The management 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 2021. These unconsolidated condensed interim financial statements are un-audited, 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 those applied in the preparation of the annual financial statements of the Company for the year ended 30 September 2021.

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 as applicable in Pakistan requires management to use certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Provision of accounting estimates are recognized commencing from the period of revision.

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 annual financial statements of the Company for the year ended 30 September 2021.

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding annual financial statements of the Company for the year ended 30 September 2021.

2.3. Seasonality of operations

The Company is, inter alia, engaged in manufacturing of sugar for which the season begins in November and ends in April. 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.

3. Long Term Financing

Financing from banking companies and financial institution - secured

	31 March 2022 Un-Audited (Rupees in thousand)	30 September 2021 Audited
Opening balance	410,105	456,919
Add:		
Obtained during the period / year	-	165,700
Amortized during the period / year	4,741	16,219
	414,846	638,838
Less:		
Repaid during the period / year	105,326	217,531
Deferred income recognized during the period / year	-	11,202
	105,326	228,733
	309,520	410,105
Less: Current portion shown under current liabilities	(309,520)	(410,105)
	-	-

4. Contingencies and Commitments

4.1. Contingencies

There has been no significant change during the period in the contingencies as reported in Note 14 to the annual financial statements of the Company for the year ended 30 September 2021.

4.2. Commitments

There is no contract for capital and other expenditure as at 31 March 2022 (30 September 2021: Nil).

	Note	31 March 2022 Un-Audited (Rupees in thousand)	30 September 2021 Audited
5 Property, plant and equipment			
Operating fixed assets	5.1	15,523,535	16,036,918
Capital work-in-progress	5.2	175,077	129,567
		<u>15,698,612</u>	<u>16,166,485</u>
5.1 Operating fixed assets			
Opening book value		16,036,918	9,603,953
Add: Cost of addition during the period / year	5.1.1	638	105,481
Effect of revaluation		-	7,624,939
		<u>16,037,556</u>	<u>17,334,373</u>
Less:			
Book value of deletion during the period / year	5.1.2	17,900	225,518
Transferred to non-current assets held for sale	8.1	-	573,976
		<u>17,900</u>	<u>799,494</u>
		16,019,656	16,534,879
Less: Depreciation charged during the period / year		496,121	497,961
Closing book value		<u>15,523,535</u>	<u>16,036,918</u>
5.1.1 Cost of additions during the period / year			
Plant and machinery		-	96,203
Tools and equipment		-	897
Water electric and weighbridge equipment		-	4,855
Furniture and fixture		588	205
Office equipment		50	128
Vehicles		-	86
Laboratory equipment		-	3,087
Library books		-	20
		<u>638</u>	<u>105,481</u>
5.1.2 Book value of deletions during the period / year			
Freehold land		17,900	19,147
Building		-	7
Plant and machinery		-	206,309
Water electric and weighbridge equipment		-	36
Furniture and fixture		-	9
Office equipment		-	1
Vehicles		-	8
Laboratory equipment		-	1
		<u>17,900</u>	<u>225,518</u>

	31 March 2022 Un-Audited (Rupees in thousand)	30 September 2021 Audited
5.2 Capital work-in-progress		
Civil works	5,277	1,296
Plant and machinery	104,504	72,842
	109,781	74,138
Advances against capital work in progress	102,234	92,367
Less: Provision against doubtful advances	(36,938)	(36,938)
	65,296	55,429
	175,077	129,567
6 Long Term Investment		
Investment in equity accounted investee	6.1.1 1,740,573	1,727,473
Investment at fair value through other comprehensive income	7,646	10,100
	1,748,219	1,737,573
6.1 Investment in equity accounted investee		
Shakarganj Food Products Limited - Unquoted		
87 785 643 (30 September 2021: 87 785 643) fully paid ordinary shares of Rs. 10 each. Equity held: 52.39% (30 Sep 2021: 52.39%)		
6.1.1 Movement during the period / year		
Cost	590,784	590,784
Share of post acquisition reserves:		
Opening balance	1,136,689	1,074,996
Share of profit for the period / year	15,500	65,128
Share of other comprehensive loss for the period / year	(2,400)	(3,435)
	1,149,789	1,136,689
Closing balance	1,740,573	1,727,473
7. Stock-in-Trade		
Raw materials	704,781	21,548
Work-in-process	156,667	13,283
Finished goods	1,244,391	326,366
	2,105,839	361,197

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:

	NOTE	31 March 2022 Un-Audited	30 September 2021 Audited
Property, plant and equipment	8.1	185,973	335,180

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. The management is hopeful of completing the sale transactions of the above mentioned assets uptill the end of the current financial year.

8.1. Reconciliation of non-current assets held for sale

Opening book value		335,180	-
Book value of assets transferred from property, plant and equipment	5.1	-	573,976
Book value of assets disposed of during the period		(149,207)	(238,796)
		185,973	335,180

9 SEGMENT INFORMATION

9.1 Revenue

External	8,512,167	6,415,893	460,629	320,775	34,242	610,820	40,706	35,815	-	-	9,047,744	7,383,303
Intersegment	927,671	484,690	22,574	2,441	-	-	7,066	8,315	(957,311)	(495,446)	-	-
Cost of sales	9,439,838	6,900,583	483,203	323,216	34,242	610,820	47,772	44,130	(957,311)	(495,446)	9,047,744	7,383,303
	(9,075,247)	(7,159,191)	(475,902)	(339,357)	(62,435)	(630,807)	(53,143)	(33,715)	957,311	495,446	(8,709,416)	(7,667,624)
Gross profit / (loss)	364,591	(258,608)	7,301	(16,141)	(28,193)	(19,987)	(5,371)	10,415	-	-	338,328	(284,321)
Distribution cost	(13,135)	(11,753)	(33,781)	(38,660)	(604)	(1,118)	-	-	-	-	(47,520)	(51,531)
Administrative expenses	(172,125)	(178,043)	(8,790)	(8,339)	(19,756)	(18,413)	(453)	(529)	-	-	(201,124)	(205,324)
	(185,260)	(189,796)	(42,571)	(46,999)	(20,360)	(19,531)	(453)	(529)	-	-	(248,644)	(256,855)
Profit / (loss) before taxation and unallocated income and expenses	179,331	(448,404)	(35,270)	(63,140)	(48,553)	(39,518)	(5,824)	9,886	-	-	89,684	(541,176)

Unallocated income and expenses:

Other expenses											(19,563)	(117,729)
Finance cost											(115,152)	(121,184)
Other income											60,680	44,708
Share of profit from equity accounted investee											15,500	19,852
Taxation											(70,033)	(83,270)
Loss after taxation											(38,884)	(798,799)

9.2 Reconciliation of reportable segment assets and liabilities:

	Sugar		Biofuel		Textile		Farms		Rupees in thousand Total	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	31 March 2022	30 September 2021	31 March 2022	30 September 2021	31 March 2022	30 September 2021	31 March 2022	30 September 2021	31 March 2022	30 September 2021
Total assets for reportable segments	11,533,374	10,304,250	5,691,100	4,988,417	811,623	858,091	646,286	818,929	18,682,383	16,969,687
Unallocated assets									2,412,772	2,166,173
Total assets as per unconsolidated condensed interim statement of financial position									21,095,155	19,135,860
Total liabilities for reportable segments	7,343,612	4,836,780	1,443,992	1,846,491	481,799	516,799	17,883	18,645	9,287,286	7,218,715
Unallocated liabilities									630,693	696,231
Total liabilities as per unconsolidated condensed interim statement of financial position									9,917,979	7,914,946

	Sugar		Biofuel		Textile		Farms		Rupees in thousand Total	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	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	Half year ended
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021

9.3 Segment wise and geographical location wise disaggregation of revenue

Europe	-	-	392,199	248,110	-	-	-	-	392,199	248,110
Asia	-	-	-	-	-	-	-	-	-	-
Pakistan	8,512,167	6,415,893	68,430	72,665	34,242	610,820	40,706	35,815	8,655,545	7,135,193
	8,512,167	6,415,893	460,629	320,775	34,242	610,820	40,706	35,815	9,047,744	7,383,303

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

Sugar	7,817,611	5,883,519	-	-	-	-	-	-	7,817,611	5,883,519
By-products	694,556	532,374	2,650	-	-	-	-	-	697,206	532,374
Biofuel	-	-	457,979	320,775	-	-	-	-	457,979	320,775
Yarn and polyester	-	-	-	-	34,000	603,174	-	-	34,000	603,174
Farm	-	-	-	-	-	-	40,706	35,815	40,706	35,815
Waste	-	-	-	-	242	7,646	-	-	242	7,646
	8,512,167	6,415,893	460,629	320,775	34,242	610,820	40,706	35,815	9,047,744	7,383,303

10. CASH GENERATED FROM / (USED IN) OPERATIONS

Profit / (loss) before taxation

Half Year Ended
(Un-Audited)

31 March
2022
(Rupees in thousand)

31 March
2021

31,149 (715,529)

Adjustments for non-cash charges and other items:

Depreciation

496,121 258,027

Liabilities no longer payable written back

- (3,295)

Provision for employees' retirement benefits

27,741 24,604

Loss on sale of property, plant and equipment

- 110,825

Gain on sale non-current assets held for sale

(25,392) -

Fair value adjustment of agricultural assets

13,011 (1,972)

Share of profit from equity accounted investee

(15,500) (19,852)

Amortization of deferred grant

4,741 8,955

Finance cost

115,152 112,229

Working capital changes

10.1 (615,140) 461,502

31,883 235,494

10.1 Working capital changes

(Increase) / decrease in current assets:

Stores, spare parts and loose tools

(25,418) (6,434)

Stock-in-trade

(1,744,642) (771,308)

Trade debts

(690,557) (74,210)

Loans and advances

(85,606) 9,238

Prepayments and other receivables

(15,664) 1,940

Biological assets

(470) 1,205

(2,562,357) (839,569)

Increase in trade and other payables

1,947,217 1,301,071

(615,140) 461,502

11. TRANSACTIONS WITH RELATED PARTIES

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

	(Un-audited)			
	Half year ended		Quarter ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	(Rupees in thousand)			
i) Transactions				
Subsidiary company				
Sale of goods	34,786	182,401	28,937	123,375
Common expenses shared	1,107	2,231	750	1,525
Associated companies				
Purchase of goods	513,997	552,710	432,205	371,859
Common expenses shared	3,531	4,696	2,552	2,840
Insurance expenses	3,138	4,244	1,657	2,215
Sale of goods and rendering of services	533,801	551,340	452,892	368,777
Finance cost	20,733	17,606	11,818	8,346
Short term borrowings obtained	-	-	-	25,000
Other related parties				
Company's contribution to Employees' Provident Fund Trust	7,200	6,636	3,832	3,532
Service charges accrued	3,364	3,058	1,682	1,529
Remuneration and meeting fee paid to Chief Executive Officer, directors and executives	84,802	89,158	53,051	58,164
			31 March 2022 (Un-Audited) (Rupees in thousand)	30 September 2021 (Audited)
ii) Period end balances				
Subsidiary company				
Trade debts			43,062	38,631
Trade and other payables			6,248	7,523
Associated companies				
Trade and other payables			87,121	18,001
Cash and bank balances			3,144	691
Short term borrowings			425,000	425,000
Accrued mark-up			12,499	4,663
Other related parties				
Trade and other payables			439,286	89,963
Loans and advances			747	2,152
Other receivables			16,121	-

12. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

Description

Shariah compliant bank deposits and bank balances

Bank balances	10,851	4,117
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Loans / advances obtained as per Islamic mode

Contract liabilities	531,563	492,435
Short term borrowings	425,000	425,000

Half Year Ended (Un-audited)

	31 March 2022 (Rupees in thousand)	31 March 2021
Revenue earned from shariah compliant business	9,047,744	7,383,303
Exchange gain / (loss)	2,267	(1,682)
Mark-up paid on Islamic mode of financing	20,733	17,606
Profit earned or interest paid on any conventional loan / advance		
Mark-up on long term financing	20,139	27,958
Mark-up on short term borrowings	30,884	36,954
Profit earned on deposit with banks	115	32

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

- 12.1. There was no profit on deposits with shariah compliant banks and no gain or dividend earned on shariah compliant investments.

13. Recognized Fair Value Measurements - Financial Instruments

Fair value hierarchy

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

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

(Rupees in thousand)

Financial assets - recurring fair value measurement

At 31 March 2022 - (Un-audited)

At fair value through other comprehensive income	7,646	-	-	7,646
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Level 1	Level 2	Level 3	Total
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At 30 September 2021 - Audited

At fair value through other comprehensive income	10,100	-	-	10,100
--	--------	---	---	--------

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

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

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

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

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

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

14. Date of Authorization of Issue

These unconsolidated condensed interim financial statements were approved and authorized for issue on 30 May 2022 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 2022
(Shakarganj Limited and Its Subsidiary Company)

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 March 2022 (Un-audited)

	Note	31 March 2022 Un-Audited (Rupees in thousand)	30 September 2021 Audited (Rupees in thousand)
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
150,000,000 (30 September 2021: 150,000,000)			
ordinary shares of Rs. 10 each		1,500,000	1,500,000
50,000,000 (30 September 2021: 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 2021: 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		11,518,697	11,955,684
Other capital reserve		1,271,351	1,273,805
Revenue Reserves		516,306	516,306
Accumulated loss		(3,419,858)	(3,819,927)
Equity attributable to equity holders of the Holding Company		11,136,496	11,175,868
Non-controlling interest		1,517,007	1,505,102
TOTAL EQUITY		<u>12,653,503</u>	<u>12,680,970</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	3	575,649	634,097
Long term deposits		-	7,000
Lease liabilities		423,902	534,578
Deferred liabilities		640,203	575,958
Deferred income tax liability		2,561,073	2,660,662
		<u>4,200,827</u>	<u>4,412,295</u>
CURRENT LIABILITIES			
Trade and other payables		9,081,282	8,223,571
Short term borrowings		1,281,300	1,284,194
Accrued Mark-up		142,443	85,959
Current portion of non-current liabilities		805,319	896,587
Unclaimed dividend		1,916	1,944
Provision for taxation		162,861	84,111
		<u>11,475,121</u>	<u>10,576,366</u>
TOTAL LIABILITIES		<u>15,675,948</u>	<u>14,988,661</u>
CONTINGENCIES AND COMMITMENTS	4		
TOTAL EQUITY AND LIABILITIES		<u>28,329,451</u>	<u>27,669,631</u>

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


Chief Executive Officer

	Note	31 March 2022 Un-Audited (Rupees in thousand)	30 September 2021 Audited
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	21,679,870	22,369,388
Right-of-use assets		1,248,188	1,284,228
Intangible asset		2,865	3,437
Biological assets		18,804	18,333
Investments		7,646	10,100
Long term loans and advances		12,818	12,910
Long term deposits		129,179	129,153
		<u>23,099,370</u>	<u>23,827,549</u>
CURRENT ASSETS			
Biological assets		3,220	16,232
Stores, spare parts and loose tools		286,985	244,503
Stock-in-trade	6	3,096,444	1,968,867
Trade debts		874,251	181,513
Loans and advances		199,020	117,002
Prepayments and other receivables		311,065	594,255
Advance income tax		132,289	100,304
Cash and bank balances		140,834	284,226
		<u>5,044,108</u>	<u>3,506,902</u>
Non-current assets held for sale		185,973	335,180
		<u>5,230,081</u>	<u>3,842,082</u>
TOTAL ASSETS		<u><u>28,329,451</u></u>	<u><u>27,669,631</u></u>

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


Director


Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

For the Half Year Ended 31 March 2022 (Un-Audited)

		Half Year Ended		Quarter ended	
	Note	31 March 2022	31 March 2021 (Rupees in thousand)	31 March 2022 thousand)	31 March 2021
Revenue	7	17,588,763	16,093,902	11,562,572	9,454,213
Cost of sales	7	(16,028,916)	(15,220,786)	(10,194,462)	(8,953,752)
Gross profit		1,559,847	873,116	1,368,110	500,461
Distribution cost		(947,005)	(862,808)	(558,003)	(448,050)
Administrative expenses		(280,209)	(277,391)	(150,288)	(159,861)
Other expenses		(31,990)	(123,891)	(22,561)	(122,684)
Other income		85,745	55,908	38,388	26,125
Profit / (loss) from operations		386,388	(335,066)	675,646	(204,009)
Finance cost		(280,812)	(288,403)	(166,859)	(159,720)
Profit / (loss) before taxation		105,576	(623,469)	508,787	(363,729)
Taxation		(126,008)	(157,290)	(98,537)	(126,329)
Loss after taxation		(20,432)	(780,759)	410,250	(490,058)
Share of (loss) / profit attributable to:					
Equity holders of holding company		(34,518)	(798,799)	348,747	(520,644)
Non-controlling interest		14,086	18,040	61,503	30,586
		(20,432)	(780,759)	410,250	(490,058)
(Loss) / earning per share - Basic And diluted (Rupees)		(0.28)	(6.39)	2.79	(4.17)

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 2022 (Un-Audited)

	Half year ended		Quarter ended	
	31 March 2022	31 March 2021 (Rupees in thousand)	31 March 2022	31 March 2021
LOSS AFTER TAXATION	(20,432)	(780,759)	410,250	(490,058)
OTHER COMPREHENSIVE LOSS				
Items that will not be reclassified to profit or loss in subsequent periods:				
(Deficit) / surplus arising on remeasurement of investments at fair value through other comprehensive income	(2,454)	(1,323)	(1,602)	(3,240)
Share of other comprehensive loss	(4,581)	-	(4,581)	-
Items that may be reclassified to profit or loss in subsequent periods	-	-	-	-
Other comprehensive (loss) / income for the period	(7,035)	(1,323)	(6,183)	(3,240)
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	(27,467)	(782,082)	404,067	(493,298)
SHARE OF TOTAL COMPREHENSIVE (LOSS) / INCOME ATTRIBUTABLE TO:				
EQUITY HOLDERS OF HOLDING COMPANY	(39,372)	(800,122)	344,745	(523,884)
NON CONTROLLING INTEREST	11,905	18,040	59,322	30,586
	(27,467)	(782,082)	404,067	(493,298)

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 2022 (Un-Audited)

Rupees in thousand

	SHARE CAPITAL	RESERVES										Total Reserves	ACCUMULATED LOSS	SHAREHOLDERS' EQUITY	NON-CONTROLLING INTEREST	TOTAL EQUITY
		CAPITAL RESERVES					REVENUE RESERVES									
		Premium on issue of right shares	Fair value reserve of investments at fair value through other comprehensive income	Difference of capital under scheme of arrangement of merger	Surplus on revaluation of property, plant and equipment - net of deferred income tax	Musharakah financing - equity portion	Sub total	General	Dividend equalization	Equity investment market value equalization	Sub total					
Balance as at 30 September 2020	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
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	(121,070)	-	(121,070)	-	-	-	-	(121,070)	121,070	-	-	-
Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment - net of deferred income tax					(8,838)		(8,838)					(8,838)	8,838			
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)	18,040	(780,759)
Other comprehensive loss for the period	-	-	(1,323)	-	-	-	(1,323)	-	-	-	-	(1,323)	-	(1,323)	-	(1,323)
Total comprehensive income / (loss) for the period	-		(1,323)	-	-		(1,323)	-	-	-	-	(1,323)	(798,799)	(800,122)	18,040	(782,082)
Balance as at 31 March 2021	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
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	(150,020)	-	(150,020)	-	-	-	-	(150,020)	150,020	-	-	-
Adjustment of deferred income tax liability due to re-assessment at year end	-	-	-	-	(123,543)	-	(123,543)	-	-	-	-	(123,543)	-	(123,543)	-	(123,543)
Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment	-	-	-	-	(153,247)	-	(153,247)	-	-	-	-	(153,247)	153,247	-	-	-
Loss for the period	-	-	-	-	-	-	-	-	-	-	-	-	(724,140)	(724,140)	41,146	(682,994)
Other comprehensive income for the period	-	-	(1,800)	-	5,911,609	-	5,909,809	-	-	-	-	5,909,809	(34,594)	5,875,215	(3,121)	5,872,094
Total comprehensive loss for the period	-		(1,800)	-	5,911,609	-	5,909,809	-	-	-	-	5,909,809	(758,734)	5,151,075	38,025	5,189,100
Balance as at 30 September 2021	1,250,000	1,056,373	(11,021)	155,930	11,955,684	72,523	13,229,489	516,306	-	-	516,306	13,745,795	(3,819,927)	11,175,868	15,051,02	12,680,970
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	(115,326)	-	(115,326)	-	-	-	-	(115,326)	115,326	-	-	-
Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment - net of deferred income tax	-	-	-	-	(321,661)	-	(321,661)	-	-	-	-	(321,661)	321,661	-	-	-
Loss for the period	-	-	-	-	-	-	-	-	-	-	-	-	(34,518)	(34,518)	14,086	(20,432)
Other comprehensive loss for the period	-	-	(2,454)	-	-	-	(2,454)	-	-	-	-	(2,454)	(2,400)	(4,854)	(2,181)	(4,854)
Total comprehensive loss for the period	-		(2,454)	-	-		(2,454)	-	-	-	-	(2,454)	(36,918)	(39,372)	11,905	(27,467)
Balance as at 31 March 2022	1,250,000	1,056,373	(13,475)	155,930	11,518,697	72,523	12,790,048	516,306	-	-	516,306	13,306,354	(3,419,858)	11,136,496	15,17,007	12,653,503

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 2022 (Un-Audited)

	Note	Half Year Ended	
		31 March 2022 (Rupees in thousand)	31 March 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	8	297,814	516,872
Finance cost paid		(207,675)	(234,515)
Net decrease in long term loans and advances		92	973
Net increase in long term security deposits		(26)	-
Employees' benefits paid		(2,338)	(13,098)
Income tax paid		(176,964)	(141,921)
Net cash (used in) / generated from operating activities		(89,097)	128,311
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(62,316)	(128,330)
Proceeds from disposal of property, plant and equipment		110,794	96,940
Proceeds from sale of non-current assets held for sale		174,599	-
Net cash used in investing activities		223,077	(31,390)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		(2,894)	(180,698)
Repayment of long term financing		(190,326)	(41,413)
Proceeds from long term financing		-	165,700
Lease liabilities - net		(84,124)	(156,623)
Dividend paid		(28)	(8)
Net cash used in financing activities		(277,372)	(213,042)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(143,392)	(116,121)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD		284,226	330,012
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD		140,834	213,891

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 2022 (Un-Audited)

1. The Group and its Operations

The Group consists of Shakarganj Limited (the Holding Company) and its Subsidiary Company, Shakarganj Food Products Limited. Brief profiles of the Holding Company and its Subsidiary Company are as follows:

Shakarganj Limited

Shakarganj Limited (the Holding company 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

The Holding Company has suffered loss after taxation of Rs. 38.884 million and its accumulated losses are of Rs. 3,266.116 million as at 31 March 2022. The current liabilities of the Holding Company exceeded its current assets by Rs. 3,255.134 million. Moreover, the Holding Company has some overdue installments of long-term financing, short-term borrowings and overdue statutory obligations. Furthermore Textile segment of the Holding Company remained closed during the whole period. Certain shareholders of the Holding Company have applied to Sindh High Court, Karachi and Lahore High Court, Lahore and obtained stay on 29 November 2021 and 25 February 2022 respectively from the respective courts regarding the approval of disposal of certain agricultural land of the Holding Company. These factors indicate the existence of material uncertainty which may cast significant doubt about the Holding Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, these consolidated condensed interim financial statements have been prepared on going concern basis due to following reasons:

- The Holding Company is making arrangements to sell its agriculture land having market value of Rs. 755.547 million. For this purpose, approval of shareholders has been obtained in Annual General Meeting of the Holding Company held on 28 February 2022 subject to further orders of Lahore High Court, Lahore and Sindh High Court, Karachi along with no objection from lenders. The proceeds through disposal of land will be utilized by the Holding Company to pay to sugarcane growers and to settle the other liabilities of the Company while the remaining proceeds will be utilized for upgradation of plant and machinery of textile and sugar divisions at Jhang.
- The management of the Holding Company has firmed up a turnaround plan based on disposal of the Bhone Unit of the Company which includes Sugar and Biofuel divisions. Book value of freehold land, building and plant and machinery as at 31 March 2022 is Rs. 8.442 billion. Price discovery by the management for the whole Bhone Unit of the Company including related licenses / rights when built in the future plan results in debt free business, surplus funds and profits for the Company. The management has planned to seek required approvals for roll out of the turnaround plan before the end of financial year 30 September 2022.
- One of the largest shareholders of the Holding Company has affirmed its commitment to fully financially support the Holding Company, in case of any need.
- The Holding Company undertook significant operational measures during the period to improve its productivity. During the period, the Holding Company has crushed 1 288 891 MT of sugarcane which has increased by more than 28% as compared to 1 006 075 MT of sugarcane

crushed in the corresponding period and produced 119 308 MT of sugar in current season which has increased by almost 30% as compared to 91 837 MT of sugar in the corresponding year. Moreover the Holding Company produced 10 017 287 liters of biofuel during the period which has been increased by more than 78% as compared to 5 624 260 liters 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 evaporators. Falling film evaporators are alternative to Robert type evaporators and help to improve the optimization of the evaporator's 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 remains committed to its best efforts to improve liquidity portion. The financial projections of The Holding Company show improvements in cash generation and profits.
- The management 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, the financial statements of the Holding Company 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.

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.

SL held 52.39% shares of SFPL as at 31 March 2022 (30 September 2021: 52.39%)

2. Summary of Significant Accounting Policies

2.1. Basis of preparation

a) Statement of compliance

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

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- ii). These consolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Group for the year ended 30 September 2021. 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 2021.

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 2021.

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 2021.

2.3. Seasonality of operations

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

3. Long Term Financing

	31 March 2022 Un-Audited (Rupees in thousand)	30 September 2021 Audited
Opening balance	1,276,702	1,346,880
Add:		
Obtained during the period / year	-	165,700
Unwinding of discount / fair value adjustment	18,793	30,404
Less: Repaid during the period / year	(190,326)	(266,282)
	1,105,169	1,276,702
Less: Current portion shown under current liabilities	(529,520)	(642,605)
	575,649	634,097

4. Contingencies and Commitments

4.1. Contingencies

There is no material change in the status of contingencies as set out in note 14 (a) to the consolidated financial statements of the Company for the year ended 30 September 2021.

4.2. Commitments

- (i) Contracts for capital expenditure of Group are Nil as at 31 March 2022 (30 September 2021: Nil).
- (ii) Ijarah (operating lease) commitments are of Rs. 8,473 million as at 31 March 2022 (30 September 2021: Rs. 15,862 million).

	Note	31 March 2022 Un-Audited (Rupees in thousand)	30 September 2021 Audited
5 Property, plant and equipment			
Operating fixed assets	5.1	21,504,792	22,239,821
Capital work-in-progress		175,078	129,567
		<u>21,679,870</u>	<u>22,369,388</u>
5.1 Operating fixed assets			
Opening book value		22,239,821	15,961,600
Add: Cost of addition during the period / year	5.1.1	16,807	289,473
Revaluation surplus		-	7,624,939
		<u>22,256,628</u>	<u>23,876,012</u>
Less:			
Book value of deletion during the period / year		96,429	230,587
Transferred to non-current assets held for sale		-	573,976
		<u>96,424</u>	<u>804,563</u>
		<u>22,160,199</u>	<u>23,071,449</u>
Less: Depreciation charged during the period / year		655,407	831,628
Closing book value		<u>21,504,792</u>	<u>22,239,821</u>
5.1.1 Cost of additions during the period / year			
Building		-	11,547
Plant and machinery		13,467	251,121
Tools and equipment		-	897
Water electric and weighbridge equipment		-	14,559
Electric installations		79	-
Furniture and fixture		1,041	2,916
Office equipment		1,715	3,400
Vehicles		505	1,926
Laboratory milk collection equipment		-	3,087
Library books		-	20
		<u>16,807</u>	<u>289,473</u>

6. Stock-in-Trade

Raw materials
Work-in-process
Finished goods

31 March 2022 Un-Audited (Rupees in thousand)	30 September 2021 Audited
1,320,696	1,100,338
175,533	13,283
1,600,215	855,246
<u>3,096,444</u>	<u>1,968,867</u>

7. SEGMENT INFORMATION

7.1

SEGMENT INFORMATION

Rupees in thousand (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 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Revenue																		
External	8,477,381	6,244,219	460,629	320,775	34,242	610,820	40,706	35,815	8,466,937	8,829,419	108,868	52,854	-	-	-	-	17,588,763	16,093,902
Intersegment	962,457	656,364	22,574	2,441	-	-	7,066	8,315	-	-	-	-	-	-	(992,097)	(667,120)	-	-
	9,439,838	6,900,583	483,203	323,216	34,242	610,820	47,772	44,130	8,466,937	8,829,419	108,868	52,854	-	-	(992,097)	(667,120)	17,588,763	16,093,902
Cost of sales	(9,075,247)	(7,155,661)	(475,902)	(339,357)	(62,435)	(630,807)	(53,143)	(33,715)	(7,231,374)	(7,657,099)	(122,912)	(71,267)	-	-	992,097	667,120	(16,028,916)	(15,220,786)
Gross profit / (loss)	364,591	(255,078)	7,301	(16,141)	(28,193)	(19,987)	(5,371)	10,415	1,235,563	1,172,320	(14,044)	(18,413)	-	-	-	-	1,559,847	873,116
Administrative expenses	(172,125)	(178,043)	(8,790)	(8,339)	(19,756)	(18,413)	(453)	(529)	(79,085)	(72,067)	-	-	-	-	-	-	(280,209)	(277,391)
Distribution cost	(13,135)	(15,282)	(33,781)	(38,660)	(604)	(1,118)	-	-	(891,724)	(806,281)	(7,760)	(1,466)	-	-	-	-	(947,005)	(862,808)
	(185,260)	(193,325)	(42,571)	(46,999)	(20,360)	(19,531)	(453)	(529)	(970,809)	(878,348)	(7,760)	(1,466)	-	-	-	-	(1,227,214)	(1,140,199)
Profit / (loss) before taxation and unallocated income and expenses	179,331	(448,403)	(35,270)	(63,140)	(48,553)	(39,518)	(5,824)	9,886	264,754	293,972	(21,804)	(19,879)	-	-	-	-	332,633	(267,083)
Unallocated income and expenses:																		
Other expenses																	(31,990)	(123,891)
Finance cost																	(280,812)	(288,403)
Other income																	85,745	55,908
Taxation																	(126,008)	(157,290)
Loss after taxation																	(20,432)	(780,759)

7.2 Reconciliation of reportable segment assets and liabilities:

Rupees in thousand (Un-audited) (Audited)																	
	Sugar		Biofuel		Textile		Farms		Dairy		Juice		Others		Total		
	31 March 2022	30 September 2021	31 March 2022	30 September 2021	31 March 2022	30 September 2021	31 March 2022	30 September 2021	31 March 2022	30 September 2021	31 March 2022	30 September 2021	31 March 2022	30 September 2021	31 March 2022	30 September 2021	
Total assets for reportable segments	11,490,312	10,088,020	5,691,100	4,988,417	811,623	858,091	646,286	818,929	8,454,394	9,806,538	563,537	670,937	-	-	27,657,252	27,230,932	
Unallocated assets															672,199	438,699	
Total assets as per consolidated condensed interim statement of financial position															28,329,451	27,669,631	
Total liabilities for reportable segments	6,658,759	5,062,242	1,443,992	1,846,491	483,696	516,799	17,995	18,645	6,488,121	7,123,711	188,070	161,342	-	-	15,280,633	14,729,230	
Unallocated liabilities															395,315	259,431	
Total liabilities as per consolidated condensed interim statement of financial position															15,675,948	14,988,661	

		Half Year Ended (Un-audited)	
NOTE		31 March 2022 (Rupees in thousand)	31 March 2021
8. CASH GENERATED FROM OPERATIONS			
Profit / (loss) before taxation		105,576	(623,469)
Adjustments for non-cash charges and other items:			
Depreciation of fixed assets		655,407	423,779
Depreciation of lease assets		36,040	37,599
Amortization of intangible asset		572	661
Gain on sale non-current assets held for sale		(25,392)	-
Gain / (loss) on sale of property, plant and equipment		(14,365)	109,313
Finance cost		273,681	275,140
Exchange gain / (loss)		(105)	272
Provision for employees' retirement benefits		60,650	72,681
Amortization of deferred income		(518)	(553)
Fair value adjustment of agricultural assets		13,011	(1,972)
Amortization of deferred grant		4,741	8,955
Liabilities no longer payable written back		-	(3,295)
Provision for workers' profit participation fund		12,074	11,555
Working capital changes		(823,558)	206,205
		297,814	516,872
8.1 Working capital changes			
(Increase) / decrease in current assets:			
Stock-in-trade		(1,127,577)	(744,707)
Trade debts		(692,738)	(26,631)
Stores, spare parts and loose tools		(42,482)	12,201
Loans and advances		(82,018)	531
Deposits, prepayments and other receivables		283,090	(7,799)
Biological assets - net		(470)	1,205
		(1,662,195)	(765,200)
Increase in trade and other payables		838,637	971,405
		(823,558)	206,205

9. 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 2022	31 March 2021	31 March 2022	31 March 2021
	(Rupees in thousand)			
i) Transactions				
Associated companies				
Purchase of goods	513,997	552,710	432,205	371,859
Common expenses shared	3,531	4,696	2,552	2,840
Insurance expenses	3,138	4,244	1,657	2,215
Sale of goods and rendering of services	533,801	551,340	452,892	368,777
Finance cost	30,377	32,069	17,028	24,220
Ijarah rentals	175	1,186	88	570
Short term borrowings obtained - net	-	-	-	25,000
Staff residence rent and utilities expenses	1,949	1,942	1,051	1,047
Long term loan repayment	-	-	-	-
Other related parties				
Holding Company's contribution to Employees' retirement benefits	7,200	6,636	3,832	3,532
Service charges accrued	3,364	3,058	1,682	1,529
Godown and guest house rent	977	1,183	437	592
Share of common expenses	1,182	1,127	591	564
Remuneration paid to Chief Executive Officer, directors and executives	200,147	172,327	104,218	77,155
ii) Period end balances				
Associated companies				
Trade and other payables			87,121	18,001
Cash and bank balances			4,886	691
Short term borrowings			905,000	905,000
Accrued Markup			17,317	7,506
Other related parties				
Trade and other payables			439,286	89,963
Loans and advances			3,341	2,152
Other receivables			16,121	-

10. Date of Authorization of Issue

These consolidated condensed interim financial statements were approved and authorized for issue on 30 May 2022 by the Board of Directors of the Holding Company.

11. Corresponding Figures

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

12. General

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



Chief Executive Officer



Director

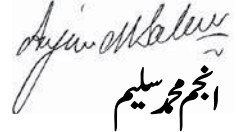


Chief Financial Officer

ہمارے ڈسٹریبنٹرز کے کاموں کا مستقبل کا نقطہ نظر ہمیشہ اچھے معیار کے مولا س کی مسلسل دستیابی پر منحصر ہوتا ہے۔ ہائیو فیول ڈویژن میں آپریشنز اپنے شوگر ڈویژن سے مولا س کی محدود دستیابی کے ساتھ جاری رہنے کی توقع ہے۔ ٹیکسٹائل کے کاروبار میں مشکل کاروباری ماحول کیونکہ لیکویڈیٹی کی کمی اور خام مال کی زیادہ قیمت کے پیش نظر ابھی تک آپریشن شروع نہیں کیا جاسکا۔ جیسا کہ ہماری پچھلی سالانہ رپورٹ میں بتایا گیا ہے، انتظامیہ لیکویڈیٹی کی کمی پر قابو پانے کے لیے اقدامات کر رہی ہے اور ہمیں امید ہے کہ کمپنی منافع بخش حالت میں واپس آئے گی جیسا کہ اب تک کے آپریشنل نتائج بتاتے ہیں۔ تمام چیلنجوں کے باوجود، ہم ان مشکل وقتوں سے گزرنے کے لیے پرعزم ہیں۔

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

منجانب بورڈ



انجم محمد سلیم

چیف ایگزیکٹو آفیسر



علی الطاف سلیم

ڈائریکٹر

30 مئی 2022ء

بائیو فیول ڈویژن:

اس عرصے کے دوران بائیو فیول ڈویژن کی خالص فروخت آمدنی پچھلے سال کی خالص فروخت 320.8 ملین روپے بشمول انٹر سیکمٹ فروخت 2.4 ملین روپے کے مقابلے میں 460.6 ملین روپے بشمول انٹر سیکمٹ فروخت 22.6 ملین روپے رہی۔ نسبتاً زیادہ پیداوار اور فروخت کی قیمتوں میں بہتری کے باوجود مجموعی مارجن کو بہتر نہیں کیا جاسکا اور اس مدت کا مجموعی منافع پچھلے سال کے 16.1 ملین روپے نقصان کے مقابلے میں 7.30 ملین روپے رہا۔ بوٹم لائن پچھلے سال کے اسی عرصے میں ٹیکس سے پہلے 63.14 ملین روپے خسارے کے مقابلے میں ٹیکس سے پہلے 35.27 ملین روپے کا خسارہ ہوا۔ اس ڈویژن کی پیداوار 10.02 ملین لیٹرز (5.62:HY21 لیٹرز) تک بڑھی۔ بائیو فیول آپریشن دیر سے شروع کیا گیا۔ تاہم، کمپنی نے اپنی برآمدات شروع کیں اور انتظامیہ صورتحال کو کم کرنے اور بہتر نتائج کے لیے اپنی برآمد کو جاری رکھنے کی کوشش کرے گی۔

ٹیکسٹائل ڈویژن

مستقل خسارے کے باعث ٹیکسٹائل ڈویژن کا آپریشن بند کر دیا گیا جس کی وجہ سے ٹیکسٹائل ڈویژن کی آمدنی 34.2 ملین روپے رہی جبکہ پچھلے سال اسی عرصے میں فروخت آمدنی 610.8 ملین روپے تھی۔ خام مال کی قیمت اور فروخت کی قیمتوں میں غیر متناسب فرق کی وجہ سے کارروائیاں ترک کر دی گئیں۔ آپریشنز بند ہونے کی وجہ سے اس مدت کے دوران کوئی پیداوار نہیں ہوئی (1.86:HYFY21 ملین کلوگرام)۔ اس مدت کے لیے مجموعی نقصان 28.2 ملین روپے رہا۔ ٹیکسٹائل ڈویژن کا مجموعی نقصان کا مارجن پچھلے سال اسی مدت کے دوران 3.27 فیصد کے مقابلے میں 82.33 فیصد تھا۔ نقصان میں اضافے اور آپریشن کی بندش کے عوامل بجلی کی فی یونٹ قیمت میں نمایاں اضافہ تھا۔ بوٹم لائن پچھلے سال کی اسی مدت کے لیے 39.52 ملین روپے نقصان کے مقابلے میں 48.56 ملین روپے ٹیکس سے پہلے نقصان ہوا۔

غیر مجموعی مالی پوزیشن

31 مارچ 2022: پیبلنس شیٹ 30 ستمبر 2021 کے 19,135.86 ملین روپے کے مقابلے میں 21,095.16 ملین روپے پر رہی۔ مجموعی شیئر ہولڈرز فنڈ 30 ستمبر 2021 کے 11,220.9 ملین روپے کے مقابلے میں 11,177.18 ملین روپے تک کم ہو گیا۔ بریک اپ ویلیو 89.42 روپے تھی۔

مجموعی مالی پوزیشن

مجموعی بنیاد پر فنانس لاگت اور ٹیکس سے پہلے آپریٹنگ نقصان 386.39 ملین روپے (335.07:HYFY21 ملین روپے نقصان) تھا۔ گروپ کو HYFY2021 میں ٹیکس کے بعد 780.76 ملین روپے نقصان کے مقابلے میں اس مدت میں ٹیکس کے بعد مجموعی نقصان 20.43 ملین روپے تھا۔ زیر جائزہ مدت کے دوران، شکر گنج فوڈ پروڈکٹ لمیٹڈ۔ سبڈری کمپنی کا ٹیکس کے بعد منافع 29.57 ملین روپے (37.89:HYFY21 ملین روپے ٹیکس کے بعد منافع) تھا۔ فروخت کے حجم میں کمی اور ان پٹ میں اضافے کی وجہ سے سبڈری کمپنی کے منافع میں قدرے کمی ہوئی۔

گروپ کی بنیاد پر پیبلنس شیٹ 30 ستمبر 2021 کے 27,669.63 ملین روپے کے مقابلے میں 28,329.45 ملین روپے پر رہی۔ مجموعی ایکویٹی 12,680.97 ملین روپے سے 31 مارچ 2022 کے 12,653.50 ملین روپے تک کم ہو گئی۔

صحت، حفاظت، ماحول اور کارپوریٹ سماجی ذمہ داری

حالیہ لہروں کے دوران تمام اسٹیک ہولڈرز کے مفادات کے تحفظ کے لیے، اور اب COVID-19 کی ابھرتی ہوئی شکل Omicron، کمپنی مناسب اقدامات بشمول صحت اور ملازمین کی حفاظت سے متعلق پروٹوکول کا سخت نفاذ کرتی رہتی ہے، ان اقدامات نے اب تک کمپنی کے کاموں کو جاری رکھنے کی اجازت دی ہے۔ ہم اس موقع پر حکومت اور اسٹیٹ بینک آف پاکستان کی جانب سے شروع کیے گئے مختلف امدادی اقدامات کو سراہنا بھی چاہیں گے تاکہ COVID-19 کے منفی اثرات کو کم کرنے کے لیے کاروباری برادری کی مدد کی جاسکے۔

ایک محفوظ اور صحت مندم کام کے ماحول کو یقینی بنانے کے لیے، کمپنی اپنے صحت اور حفاظت کے طریقوں کو COVID-19 کی وبا کی ڈیولپمنٹ کے مطابق ڈھال رہی ہے۔ اقدامات میں عملے کی درجہ بندی شامل ہے جو بلا تھقل کارروائیوں کے لیے دفتر میں موجود ہونا ضروری ہے، جب کہ دوسرے عملے کو ضرورت کے وقت گھر سے کام پر منتقل کیا جاتا ہے۔ تمام کارکنوں اور عملے کو ترجیحی بنیادوں پر کووڈ ٹیسٹیشن کی بھی سفارش کی جاتی ہے۔ تکنیکی ترقیات نے کم سے کم جسمانی تعامل کو مجازی میٹنگز میں تبدیل کر کے ممکن بنایا ہے۔ وبائی امراض سے پیدا ہونے والی صورتحال کو کم کرنے کی تمام کوششیں جاری ہیں۔ ہم فعال طور پر ان کمیونٹیز میں حصہ ڈالنے کے مواقع تلاش کرتے ہیں جن میں ہم کام کرتے ہیں اور ان ماحول کو بہتر بنانے کے لیے جو ہم سب کو برقرار رکھتے ہیں۔ ہمارے بنیادی توجہ کے شعبے تعلیم، صحت اور حفاظت، توانائی کا تحفظ، فضلہ میں کمی، اور کمیونٹی کی تعمیر ہیں۔

مستقبل کا نقطہ نظر:

جیسا کہ زیر کا شت رقبہ میں اضافہ ہوا، انتظامیہ کرٹنگ کے ساتھ ساتھ چینی کی پیداوار میں مزید اضافہ دیکھ رہی ہے۔ کاشتکار گنے کی کم از کم امدادی قیمت سے زیادہ قیمتوں کی توقع کر رہے ہیں اور گنے کی کٹائی کو سست کر کے کھیت میں فصل کو پکڑ کر زیادہ سے زیادہ قیمت حاصل کر رہے ہیں جیسا کہ پچھلے سیزن میں ہوا تھا۔ دستیاب مارجن کو مد نظر رکھتے ہوئے، انتظامیہ دیر سے آنے والوں کو پکڑنے اور اس کی کرٹنگ اور پیداوار کو زیادہ سے زیادہ کرنے کی کوشش کرے گی۔ دوسری جانب حکومت نے چینی کی قیمت مقرر کی تاہم ہم توقع کرتے ہیں کہ تمام اسٹیک ہولڈرز گنے کی قیمت کو چینی کی فروخت کی قیمتوں کے مطابق رکھیں گے۔ ہم اس موقع سے فائدہ اٹھاتے ہوئے حکومت سے ضروری اقدامات کرنے پر زور دیتے ہیں تاکہ چینی کی قیمت گنے کی قیمت کی مناسب عکاسی کرے تاکہ صنعت کے لیے زیادہ سازگار کاروباری ماحول پیدا ہو، اور پیداوار اور سوکرو کی بحالی کو فروغ دینے کے لیے پالیسیاں تیار کی جائیں۔

ڈائریکٹرز کا جائزہ

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2022ء کو ختم ہونے والی ششماہی کے لئے کمپنی اور گروپ کی غیر نظر ثانی شدہ منجید عبوری مالیاتی معلومات بخوشی پیش کر رہے ہیں۔

مالی اور آپریشنل کارکردگی:

شکر گنج نے شوگر فرٹ پراجیکٹ کارکردگی کا مظاہرہ کیا اور نصف سال کے آخر میں اپنے پچھلے پانچ سیزن کے کرشنگ کے اعداد و شمار کے مقابلے میں سب سے زیادہ گنے کی کرشنگ حاصل کی۔ پچھلے سیزن کی طرح کرشنگ مہم کے 5 دن کی تاخیر سے شروع ہونے کے باوجود، شکر گنج نے اپنی کرشنگ میں نمایاں اضافہ کیا اور زیر جائزہ مدت کے دوران کمپنی اسی مدت میں MT 1,006,075 گنے کے مقابلے میں MT 1,288,891 گنے کی کرشنگ کرنے میں کامیاب رہی۔ گزشتہ سیزن کے مقابلے کرشنگ میں 28 فیصد سے زیادہ اضافہ ہوا ہے۔

پنجاب میں گنے کی نوٹیفائیڈ سپورٹ پرائس 225 روپے فی 40 کلوگرام تھی۔ تاہم، زیر جائزہ مدت کے دوران ملوں کے درمیان سخت مقابلے کے نتیجے میں کافی زیادہ قیمت پر گنے کی خریداری کی گئی۔ کاشتکار صوبائی حکومت کی طرف سے مقرر کردہ نرخ پر گنے کی فروخت پر آمادہ نہیں تھے اور مل مین آزادانہ طور پر گنے کا سودا کر رہے تھے اور زیادہ قیمتیں حاصل کرنے کے لیے گنے کی قلت پیدا کر دی گئی اور گنے کی عدم دستیابی نے گنے کی قیمتوں میں اضافہ کر دیا جس سے قیمت میں اضافہ ہو گیا۔ حکومت کو گنے کی سپلائی چین میں مل مین کی شمولیت کو ختم کرنے کے لیے اقدامات کرنے چاہیے۔ سیزن کے عروج پر مارکیٹ میں گنے کی قیمتوں میں اضافہ کیا گیا اور اس کے نتیجے میں شکر گنج کے لیے گنے کی اوسط قیمت اسی مدت میں 251 فی 40 کلوگرام کے مقابلے میں 255 فی 40 کلوگرام روپے تک بڑھ گئی۔

کاشتکاروں کی رپورٹ کے مطابق زیر جائزہ سیزن کے لیے گنے کی فصل کا کاشت شدہ رقبہ زیادہ ہونے کی توقع تھی۔ تاہم حکومت کی غیر متوقع اور متضاد پالیسیوں اور اقدامات نے شوگر انڈسٹری کے تمام اسٹیک ہولڈرز پر منفی اثر ڈالا۔ حکومت کو شوگر انڈسٹری کو مسائل کا حل تلاش کرنے کے لیے مصروف کرنا چاہیے تھا لیکن بد قسمتی کی بات ہے کہ شوگر کی سپلائی چین میں اسٹیک ہولڈرز کو شامل کرنے کے بجائے حکومت نے شوگر ملوں کے خلاف زبردستی اقدامات کیے۔ فیڈرل بورڈ آف ریونیو کی ہدایات کے تحت، فیڈل فارمیٹرز نے انکم ٹیکس اور سیلز ٹیکس دونوں شعبوں میں اسسٹنٹ کمیز کو بڑی تعداد میں کھولا، تاہم، معزز لاہور ہائی کورٹ نے حال ہی میں ایسے انتخاب کو غیر قانونی قرار دیا۔ اس سے بڑے پیمانے پر غیر ضروری قانونی چارہ جوئی کو کم کرنے میں مدد ملے گی۔

زیر جائزہ مدت کے دوران ایف بی آر نے سیلز ٹیکس چوری کورکنے اور چینی کی غیر دستاویزی تجارت پر کنٹرول کے لیے بھی ایک مثبت قدم اٹھایا۔ یہ مسائل چینی اور گنے کی قیمتوں میں عدم استحکام کی بنیادی وجہ تھے۔ مسائل کو حل کرنے کے لیے، ایف بی آر نے کرشنگ سیزن کے آغاز کے دوران 2021-22 کا سیلز ٹیکس جزل آرڈر نمبر 05 ٹریک اینڈ ٹریس سسٹم کے نفاذ کے موضوع کے ساتھ جاری کیا اور اس STGO کے مطابق شوگر فیکٹری سے چینی کا کوئی بیگ ٹیکس سسٹم چسپاں کیے بغیر نہیں ہٹایا جائے گا۔ ٹیکس ڈاک ٹکٹوں کو منفرد شناختی نشان (UTM) بھی کہا جاتا ہے جسے ایف بی آر کے ذریعہ نامزد کردہ وینڈر فراہم کرتا ہے۔ چینی کی پیداوار کا جدید ڈیجیٹل مانیٹرنگ سسٹم 79 سے زائد شوگر ملوں میں لاگو کیا گیا ہے، جن کی ملک بھر میں 151 پیداوار لائینیں ہیں۔ پیداواری اس موقع شفاف الیکٹرانک گمرانی کی وجہ سے، ایف بی آر نے اب تک زیر جائزہ سیزن کے دوران 30 فیصد سے زیادہ کا اضافہ درج کیا ہے۔

شکر گنج میں ہماری ڈسٹریکٹ کام بھی دیر سے شروع ہوا، تاہم، بہتر کرشنگ اور اپنے مولا س کی دستیابی کے ساتھ، اسی مدت کے مقابلے میں پیداوار تقریباً دو گنی تھی۔ مولا س کی خریداری کی گئی لیکن مالی مجبوریوں کی وجہ سے بڑے پیمانے پر نہیں ہوئی۔ چینی اور بائیوفیول کے بنیادی اریاز میں خام مال کی قیمتوں میں مسلسل اضافہ ہوا ہے جس سے مارجن میں کمی واقع ہوئی ہے۔

کمپنی کو درپیش مالی چیلنجوں کے باوجود، کمپنی کی انتظامیہ نے دوسری سہ ماہی کے دوران اچھی کارکردگی کا مظاہرہ کیا کیونکہ کمپنی نے گزشتہ سال کی اسی مدت کے دوران 151.81 ملین روپے کے مجموعی نقصان کے مقابلے میں 604.47 ملین روپے مجموعی منافع کمایا۔ دوسری سہ ماہی میں آپریشنز سے منافع 457.70 ملین روپے رہا اور ٹیکس کے بعد خالص منافع 344.38 ملین روپے رہا۔ تاہم، چھ ماہ کی مدت کے لیے گزشتہ سال اسی مدت کے دوران 284.32 ملین روپے مجموعی نقصان کے مقابلے میں آپریشنز سے 338.33 ملین روپے کا مجموعی منافع تھا۔ آپریشنز سے 614.20 ملین روپے نقصان کے مقابلے میں 130.80 ملین روپے منافع تھا۔ کمپنی نے ٹیکس سے پہلے 31.15 ملین روپے منافع کمایا۔ تاہم گزشتہ سال کی اسی مدت میں ٹیکس کے بعد 798.80 ملین روپے نقصان کے مقابلے میں ٹیکس کے بعد 38.88 ملین روپے نقصان تھا۔ کمپنی نے شکر گنج فوڈ پروڈکٹس لمیٹڈ میں ایکویٹی کا حصہ 19.85 ملین منافع کے مقابلے میں 15.50 ملین روپے کا حصہ کمایا۔

کمپنی بہتر کارکردگی کے حصول اور اپنے لیکویڈیٹی منظر نامے کو بہتر بنانے کے لیے اپنی بہترین کوششوں کے لیے پرعزم ہے۔ لیکویڈیٹی کی کمی پر قابو پانے کے لیے مختلف اقدامات کیے جا رہے تھے جیسا کہ نوٹ 1.2 میں اس کے ساتھ منسلک کنڈینسڈ عبوری مالیاتی بیانات کی تفصیلات دی گئی ہیں کیونکہ کارکردگی اور تاثیر کے ذریعے کمپنی کی پیداوار اور منافع کو بہتر بنانے، پیداواری لاگت کو کم کرنے کے لیے تمام تر کوششیں جاری ہیں۔ انتظامیہ سمجھتی ہے کہ بیان کردہ اقدامات کے نتیجے میں کمپنی کو مستقبل قریب کے لیے اپنے کاروبار کے تسلسل کو برقرار رکھنے کے لیے مناسب مالی وسائل کی دستیابی ہوگی اور اس طرح اس کی جاری رہنے کی صورتحال برقرار رہے گی۔

کاروباری شعبہ جات: شوگر ڈویژن

مالی سال 2022 کے پہلے نصف میں شوگر ڈویژن کی آمدنی پچھلے سال کی خالص فروخت 6,416 ملین روپے بشمول انٹر سیگمنٹ فروخت 485 ملین روپے کے مقابلے میں 8,512 ملین روپے بشمول انٹر سیگمنٹ فروخت 928 ملین روپے رہی۔ شوگر ڈویژن نے 1,288,891 میٹرک ٹن (1,006,075 MT:HY21) گنا کرش کر کے 9.40 فی صد (9.13:HY21) کی اوسط سے 119,308 میٹرک ٹن (91,837 MT:HY21) چینی پیدا کی۔ انتظامیہ کی دن رات کوششوں سے کرشنگ میں اضافہ اور چینی کی بہتر ریکوری حاصل ہوئی۔

گنے کی بہتر منصوبہ بندی اور خریداری کی وجہ سے گزشتہ سال کی اسی مدت کے مقابلے میں پیداوار اور فروخت میں نمایاں اضافہ ہوا۔ مجموعی منافع کے مارجن میں بھی نمایاں اضافہ ہوا جو کہ گزشتہ سال کی اسی مدت کے 3.75 فیصد کے مجموعی نقصان کے مقابلے میں موجودہ مدت کے دوران 3.86 فیصد رہا۔ زیادہ سے زیادہ کرشنگ اور چینی کی وصولی میں اضافے کے ساتھ، ٹیکس سے پہلے بوٹم لائن کا نتیجہ گزشتہ سال کی اسی مدت کے لیے 448.4 ملین روپے نقصان کے مقابلے میں 179.3 ملین روپے ٹیکس سے پہلے کا منافع رہا۔



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