





Corporate Briefing **Session**

For the year 30 September 2022



Company Brief



Shakarganj Limited, incorporated in 1967, is listed on the Pakistan Stock Exchange with the symbol SML

The company is the market leader in several areas of business and we transform renewable crops such as sugarcane and cotton into value added products comprising of refined sugar, biofuel, textiles

The Company has its principal manufacturing facilities at Jhang and satellite manufacturing facilities at Bhone



**Shakarganj Limited also holds a
controlling interest in
Shakarganj Food Products Limited (SFPL)**

**SFPL is a leading producer of dairy and
fruit products and has since 2006 become
a household name in Pakistan**



The registered office of the Company is situated at Executive floor, IT Tower, 73-E 1, Hali Road, Gulberg-III, Lahore

Company Registration Number: 0002546

National Tax Number: 1413603-1

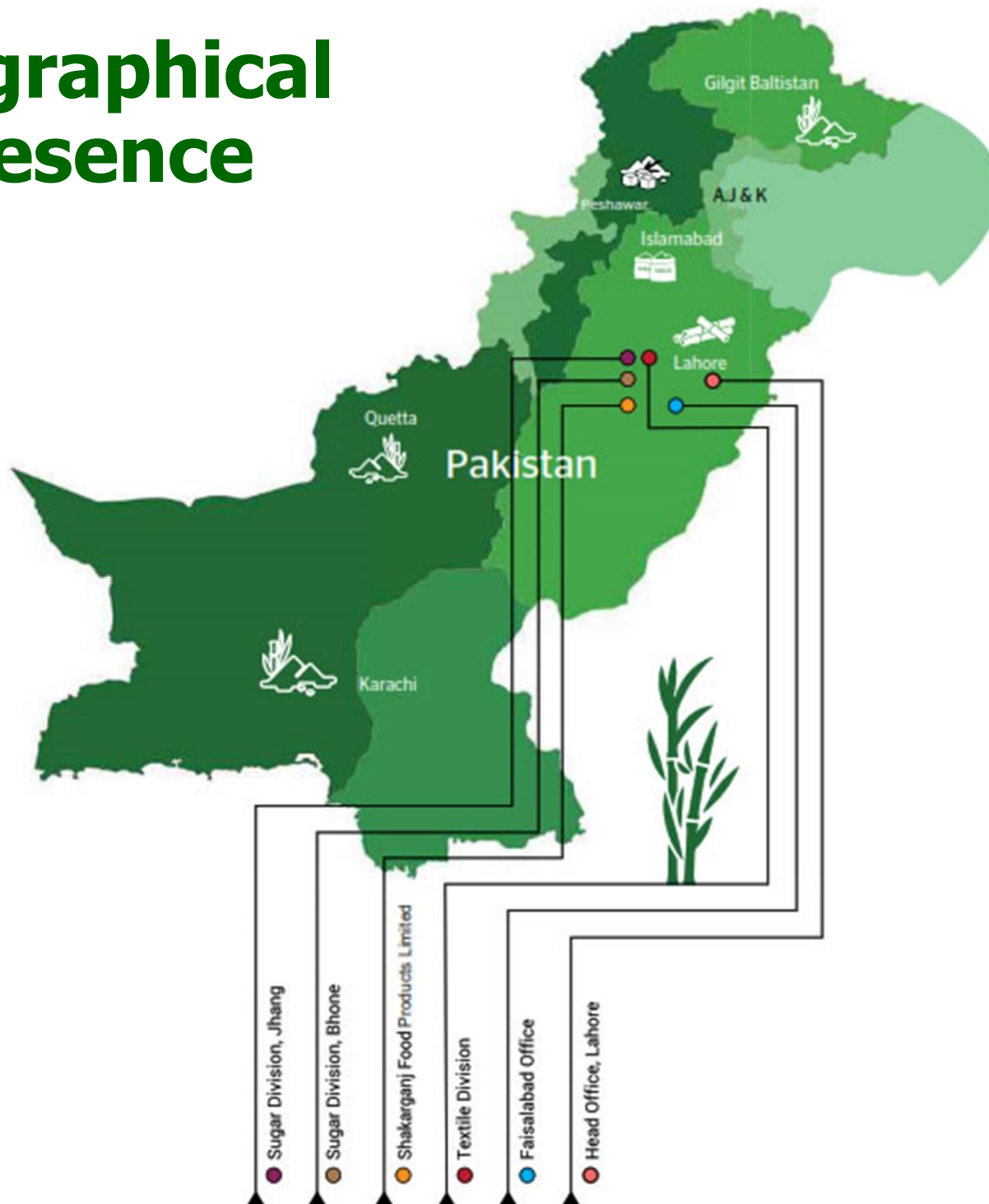
Sales Tax Number: 04-06-1703-002-46

Incorporated on: 20 September 1967

PSX Symbol: SML



Geographical Presence





Our History



Our History (1967 to 2020)

1967	1983
Incorporation as a Public Limited Company	Establishment of Shakarganj Sugar Research Institute (SSRI)
Erection of First Sugar Factory with crushing capacity 1,500 Tons of Cane per Day (TCD)	1985
1972	Erection of First Biofuel Plant with a capacity of 40,000 Litres per Day
Start of operations	
1979	1990
Listed on Stock Exchanges	Establishment of Shakarganj Sugar Research Institute Library
1982	
Crushing Capacity increased to 4,000 TCD	Establishment of Particle Board Plant with the brand name Kane Wood



Our History

1992	2001
Crushing Capacity increased to 12,000 TCD	Start of Shakarganj Social Action Programme
Establishment Sugar Cane Pathology Laboratory	2002
1999	Expansion in Biofuel Production Plant to 80,000 Litres per Day
Establishment of Bio Compost Plant	2003
2001	Amalgamation with Crescent Ujala Limited
Sponsored Jhang Art Gallery	Starting of Mobile and Stationed Free Dispensaries
Establishment of Tissue Culture Laboratory	Expansion in Biofuel Production Plant to 120,000 Litres per Day



Our History

2004	2008
Expansion in Biofuel Production Plant to 160,000 Litres per Day	Effluent Treatment Plant
Establishment of Shakarganj Farms Division	Establishment of Second Molecular Sieve Dehydration Plant with a capacity of 100,000 Litres per Day
Establishment of Shakarganj Foundation Establishment of Shakarganj Dairies	Plantation of Artificial Limbs Programme
2005	2013
Erection of Second Sugar Factory (Bhone) with a crushing capacity of 6,000 TCD	Establishment of Tiger Compost Plant
Erection of First Molecular Sieve Dehydration Plant with a capacity of 100,000 Litres per Day	2016
	Establishment of Joint Venture Food Grade Carbon Dioxide (CO ₂) Plant with a capacity of 50 MT per day



Awards & Accolade



Category of Award & Accolade	Year	Description	Remarks
Asian CSR Award Intel - AIM Award	2009	Asian CSR Awards	Shakarganj became the first Pakistani company to be honored with the Intel - AIM Corporate Responsibility Award at the Asian Forum on Corporate Social Responsibility held in Singapore
Best Corporate Report Awards	2001	Best Presented Annual Report Award	Shakarganj Annual Report was declared one the best in the year by a joint committee of the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants (ICMA).
	2003	Annual Best Corporate Report Award	
	2004	Annual Best Corporate Report Award	
	2005	Annual Best Corporate Report Award	
	2008	Annual Best Corporate Report Award	



Category of Award & Accolade	Year	Description	Remarks
FPCCI Export Trophy Awards	1999	Merit Certificate	This Award is presented by the Federation of Pakistan Chambers of Commerce and Industry to the Company with the highest exports in its category.
	2003	Merit Trophy Award	
	2004	Merit Trophy Award	
	2005	Best Export Performance Award	
	2007	Best Export Performance Award	
	2008	Best Export Performance Award	
	2009	Special Merit Export Award	
	2011	Best Export Performance Award	
	2012	Best Export Performance Award	
	2013	Best Export Performance Award	
2014	Best Export Performance Award		



Category of Award & Accolade	Year	Description	Remarks
Top Company Award - Stock Exchange	1988	Top Company Award	This Award was given by the Stock Exchange as recognition of exceptional performance.
Best Taxpayer - FBR	2005	Best Taxpayer Award	The substantial contribution by Shakarganj to the national exchequer was recognized by the Federal Board of Revenue many times, and Shakarganj was awarded the Federal Board of Revenue Award for being the 'Largest Taxpayer' in its industrial sector.
	2009	Best Taxpayer Award	



Category of Award & Accolade	Year	Description	Remarks
Pakistan Sugar Mills Association (PSMA)	1983 -1984	Chairman (Centre)	Mian Altaf M. Saleem of Shakarganj Limited was remained chairman of Pakistan Sugar Mills Association (PSMA) who plays a pivotal role in promoting the development and attaining efficiency in the best interest of sugar mills and sugar allied industries.
	1986- 1987		
	1992 – 1994		
	1980 - 1982	Chairman (Punjab Zone)	
	1990 - 1992		



Financial Highlights (Seven Years)



		2022	2021	2020	2019	2018	2017	2016
Profitability & Ratios Area:								
Net Sales	(Rs 000)	12,325,570	9,161,763	6,409,384	6,256,738	7,404,243	11,360,157	4,373,219
Cost of Sales	(Rs 000)	11,954,857	9,751,929	7,081,059	6,283,349	7,047,093	10,704,342	4,668,941
Gross Profit / (Loss)	(Rs 000)	370,713	(590,166)	(671,675)	(26,611)	357,150	655,815	(295,722)
Operating Profit / (Loss)	(Rs 000)	(66,036)	(954,369)	(293,219)	(448,715)	92,871	324,500	(140,704)
Profit / (Loss) Before Tax	(Rs 000)	(338,138)	(1,164,266)	(1,170,655)	(774,470)	158,161	350,012	(31,663)
Profit / (Loss) After Tax	(Rs 000)	(225,302)	(1,387,910)	(997,583)	(728,411)	(14,008)	210,819	(17,893)
Earnings / (Loss) Before Interest, Taxes, Depreciation & Amortization (EBITDA)	(Rs 000)	1,002,529	(391,280)	(262,493)	172,169	858,121	1,054,322	733,985
Gross Profit Ratio	(%)	3.01	(6.44)	(10.48)	(0.43)	4.82	5.77	(6.76)
Net Profit to Sales	(%)	(1.83)	(15.15)	(15.56)	(11.64)	(0.19)	1.86	(0.41)
EBITDA Margin to Sales (net)	(%)	0.08	(0.04)	(0.04)	0.03	0.12	0.09	0.17
Operating Leverage Ratio	(%)	(2.89)	0.16	35.90	14.43	0.89	1.53	0.68
Return on Capital Employed	(%)	(0.01)	(7.91)	(9.53)	(4.54)	4.08	7.66	(2.60)
Liquidity Ratios Area:								
Current Assets	(Rs 000)	1,128,230	1,177,334	1,246,767	992,065	1,485,414	1,599,932	814,003
Current Liabilities	(Rs 000)	4,578,725	4,831,358	4,556,514	4,170,356	4,052,096	3,962,002	4,567,308
Net Current Assets / (Liabilities)	(Rs 000)	(3,450,495)	(3,654,024)	(3,309,747)	(3,178,291)	(2,566,682)	(2,362,070)	(3,753,305)
Property, Plant and Equipment	(Rs 000)	15,451,699	16,166,485	9,745,632	10,253,780	10,825,661	8,487,270	8,987,560
Total Assets	(Rs 000)	18,562,005	19,135,860	12,724,256	13,467,068	14,307,132	11,270,752	10,839,796
Current Ratio	(Times)	0.25	0.24	0.27	0.24	0.37	0.40	0.18
Quick / Acid Test Ratio	(Times)	0.15	0.09	0.12	0.08	0.09	0.10	0.08
Cash to Current Liabilities	(%)	0.67	0.04	0.18	2.01	0.70	0.13	0.41
Cash Flow from Operations to Sales	(%)	7.07	5.13	11.03	17.47	4.07	(10.87)	13.70



		2022	2021	2020	2019	2018	2017	2016
Activity / Turnover Ratios Area:								
Inventory Turnover Ratio	(Times)	31.50	18.02	10.80	7.24	6.21	13.42	7.14
No. of days in Inventory	(Days)	11.59	20.26	33.80	50.38	58.82	27.21	51.09
Debtor Turnover Ratio	(Times)	166.71	64.43	54.16	167.95	71.49	125.62	200.06
No. of Days in Receivables / Average Collection Period	(Days)	2.19	5.66	6.74	2.17	5.11	2.91	1.82
Total Assets Turnover Ratio	(Times)	0.66	0.48	0.50	0.46	0.52	1.01	0.40
Fixed Assets Turnover Ratio	(Times)	0.80	0.57	0.66	0.61	0.68	1.34	0.49
Investment / Market Ratios Area:								
Earning / (Loss) Per Share	(Rupees)	(1.80)	(11.10)	(7.98)	(5.83)	0.11	1.80	(0.16)
Dividend Yield Ratio	(%)	-	-	-	-	-	1.38	-
Dividend Payout Ratio	(%)	-	-	-	-	-	69.44	-
Dividend Cover Ratio	Times	-	-	-	-	-	1.44	-
Cash Dividend per Share	(Rupees)	-	-	-	-	-	1.25	-
Market Value Per Share at the Year End	(Rupees)	45.00	52.50	38.00	34.10	55.00	90.75	26.62
- Highest during the Year	(Rupees)	54.90	60.65	50.00	76.48	90.44	132.25	29.65
- Lowest during the Year	(Rupees)	36.50	29.70	30.17	26.25	54.15	22.50	10.75
Breakup Value Per Share Including Surplus on Revaluation of Fixed Assets	(Rupees)	84.07	89.77	54.87	63.67	69.46	49.09	45.14
Capital Structure Ratios Area:								
Shareholders' Equity (Without Surplus on revaluation of property, plant and Equipment)	(Rs 000)	251,766	(245,421)	770,716	1,601,612	1,857,468	1,416,858	(19,900)
Share Capital	(Rs 000)	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,100,000
Financial Leverage Ratio	Times	3.88	(5.51)	2.44	1.37	1.50	1.55	(80.80)
Weighted Average Cost of Debt	(%)	12.24	8.60	11.42	12.39	7.84	7.63	8.10
Long Term Debt : Equity Ratio	:	0.16	(1.70)	0.60	0.24	0.29	0.37	(32.10)
Interest Cover Ratio	(Times)	(0.01)	(3.23)	(1.34)	1.79	3.06	0.83	0.82



Financials Information **for the year ended 30 September 2022**



Financial Highlights

For the year ended 30 September 2022

(Rupees in million)

Description	2022	2021	Favorable / (Unfavorable)	
			Amount (Rs. in million)	%
Revenue	12,326	9,162	3,164	35
Cost of sales	(11,955)	(9,752)	(2,203)	(23)
Gross profit / (loss)	371	(590)	961	163
Admin, distribution & other expenses	(582)	(569)	(13)	(2)
Other income	145	205	(60)	(29)
Loss from operations	(66)	(954)	888	93
Finance cost	(336)	(275)	(61)	(22)
Share of profit from equity accounted investee	64	65	(1)	(1)
Loss before taxation	(338)	(1,164)	826	71
Taxation	113	(224)	336	150
Loss after taxation	(225)	(1,388)	1,163	84



Production & Cost

Description	Unit	Actual Sep-22	Budgeted Sep-22	Actual Sep-21
Sugarcane Crushed	MT	1,347,651	1,400,000	1,006,075
Sugar Recovery	%	9.36	9.50	9.13
Sugar Produced	MT	126,112	133,000	91,837
Molasses Consumed	MT	83,959	166,150	62,378
Biofuel Produced	MT	17,258	31,767	12,160
Yarn Produced	Bags	-	129,503	67,915
Converted in 20/1 count	Bags	-	249,906	130,750
Cost of Sugarcane	Per 40 kg	254.68	245.00	251.38
Cost of Sugarcane	Per MT	6,367	6,125	6,284



Gross Margin (Products Wise)

Description	Unit	Cost of Sugarcane per kg of Sugar Produced
Crop 2022	Per kg	Rs. 68.02
Crop 2021	Per kg	Rs. 68.83

Rupees				
Description	Unit	Net Sale Price	Cost of Production	Contribution Margin
Year ended September 2022				
Sugar	Per MT	68,615	69,229	(614)
Biofuel	Per MT	167,238	134,974	32,264
Yarn	Per Bag	15,571	*-	*-
Year ended September 2021				
Sugar	Per MT	63,066	68,982	(5,916)
Biofuel	Per MT	124,164	126,545	(2,381)
Yarn	Per Bag	16,058	16,271	(213)

* Operations remained closed in current year.



Contribution Margin (Products Wise)

Description	Unit	Cost of Sugarcane per kg of Sugar Produced
Crop 2022	Per kg	Rs. 68.02
Crop 2021	Per kg	Rs. 68.83

Rupees

Description	Unit	Net Sale Price	Cost of Production	Contribution Margin
Year ended September 2022				
Sugar	Per MT	68,615	61,857	6,758
Biofuel	Per MT	167,238	112,275	54,963
Yarn	Per Bag	15,571	* -	* -
Year ended September 2021				
Sugar	Per MT	63,066	62,322	744
Biofuel	Per MT	124,164	112,073	12,091
Yarn	Per Bag	16,058	15,493	565

Note: Fixed cost has been eliminated which includes:

Sugar and Biofuel: Salaries and wages 75%, Insurance, Rent and Taxes, R&D, Depreciation.

Textile: Salaries and wages 25% Insurance, Rent and Taxes, Depreciation.

* Operations remained closed in current year.



Sales (Quantitative)

Description	Unit	Sep 2022	Sep 2021
Sugar	MT	126,316	97,201
Biofuel	MT	15,813	12,392
Yarn	Bags	15,287	58,605



Segment Results – Sugar and Biofuel and Textile

For the year ended 30 September 2022

Rupees in thousand

	Sugar		Biofuel		Textile	
	2022	2021	2022	2021	2022	2021
Revenue						
- External	9,369,021	6,596,388	2,650,538	1,543,292	259,872	968,066
- Intersegment	1,361,840	1,086,777	71,277	24,396	-	-
	10,730,861	7,683,165	2,721,815	1,567,688	259,872	968,066
Segment expenses						
Cost of sales						
- External	10,729,829	8,208,313	874,268	530,934	322,939	981,188
- Intersegment	79,287	30,911	1,329,822	1,067,891	-	-
	10,809,116	8,239,224	2,204,090	1,598,825	322,939	981,188
Gross (loss) / profit	(78,255)	(556,059)	517,725	(31,137)	(63,067)	(13,122)
- Distribution cost	(16,218)	(15,061)	(166,831)	(102,165)	(1,145)	(2,223)
- Administrative expenses	(265,451)	(271,884)	(67,078)	(55,564)	(44,701)	(37,550)
	(281,669)	(286,945)	(233,909)	(157,729)	(45,846)	(39,773)
Segment results	(359,924)	(843,004)	283,816	(188,866)	(108,913)	(52,895)
Other expenses	(15,546)	(69,561)	(3,943)	(14,193)	(328)	-
Operating (loss) / profit	(375,470)	(912,565)	279,873	(203,059)	(109,241)	(52,895)
Finance costs	(267,821)	(228,283)	(67,931)	(46,579)	(546)	(163)
(Loss) / profit before taxation	(643,291)	(1,140,848)	211,942	(249,638)	(109,787)	(53,058)



Segment Results – Farms, Others and Total

For the year ended 30 September 2022

Rupees in thousand

	Farms		Others		Total	
	2022	2021	2022	2021	2022	2021
Revenue						
- External	46,139	54,017	-	-	12,325,570	9,161,763
- Intersegment	8,010	9,107	-	-	-	-
	54,149	63,124	-	-	12,325,570	9,161,763
Segment expenses						
Cost of sales						
- External	27,821	31,493	-	-	11,954,857	9,751,929
- Intersegment	32,018	21,479	-	-	-	-
	59,839	52,972	-	-	11,954,857	9,751,929
Gross (loss) / profit	(5,690)	10,152	-	-	370,713	(590,166)
- Distribution cost	-	-	-	-	(184,194)	(119,449)
- Administrative expenses	(773)	(912)	-	-	(378,003)	(365,910)
	(773)	(912)	-	-	(562,197)	(485,359)
Segment results	(6,463)	9,240	-	-	(191,484)	(1,075,525)
Other expenses	-	-	-	-	(19,817)	(83,754)
Other income	-	-	-	-	145,265	204,910
Operating (loss) / profit	(6,463)	9,240	-	-	(66,036)	(954,369)
Finance costs					(336,298)	(275,025)
Share of income from equity accounted investee					64,196	65,128
Loss before taxation					(338,138)	(1,164,266)
Taxation					112,836	(223,644)
Loss for the year					(225,302)	(1,387,910)



Q & A



Thank You