



SHAKARGANJ LIMITED

Corporate Briefing Session

30 September 2024

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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 and 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**



Corporate Identity

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

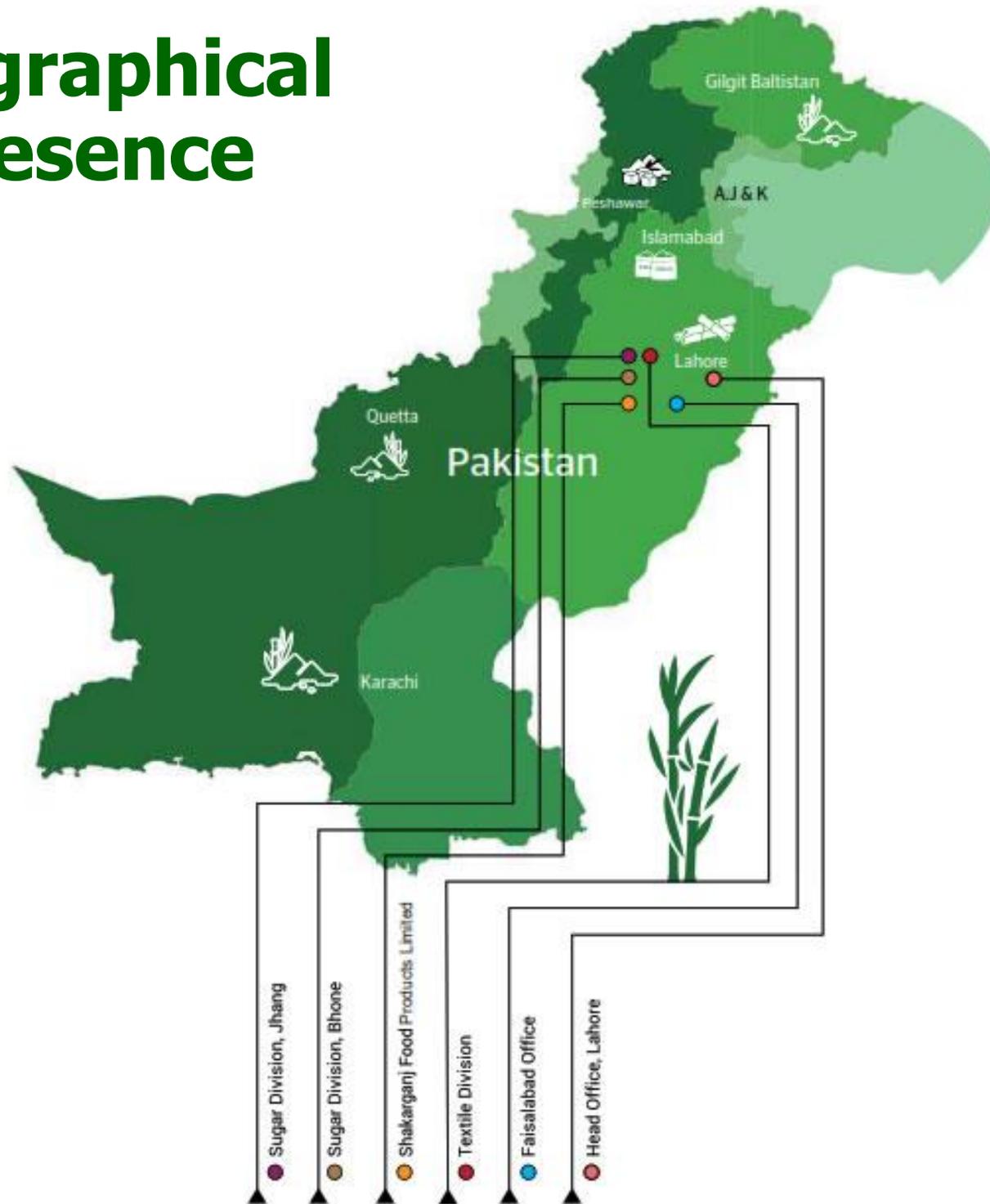
Sales Tax Number: 04-06-1703-002-46

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) | |
| 1972 | 1985 |
| Start of operations | Erection of First Biofuel Plant with a capacity of 40,000 Litres per Day |
| 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 10,000 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 | Plantation of Artificial Limbs Programme |
| Establishment of Shakarganj Dairies | |
| 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)



| | | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|----------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Profitability & Ratios Area: | | | | | | | | |
| Net Sales | (Rs 000) | 8,831,779 | 9,561,824 | 12,325,570 | 9,161,763 | 6,409,384 | 6,256,738 | 7,404,243 |
| Cost of Sales | (Rs 000) | 10,854,773 | 9,884,539 | 11,954,857 | 9,751,929 | 7,081,059 | 6,283,349 | 7,047,093 |
| Gross Profit / (Loss) | (Rs 000) | (2,022,994) | (322,715) | 370,713 | (590,166) | (671,675) | (26,611) | 357,150 |
| Operating (Loss) / Profit (including Other Income) | (Rs 000) | (2,560,288) | (587,768) | (66,036) | (954,369) | (293,219) | (448,715) | 92,871 |
| Profit / (Loss) Before Tax | (Rs 000) | (3,183,814) | (863,213) | (338,138) | (1,164,266) | (1,170,655) | (774,470) | 158,161 |
| Profit / (Loss) After Tax | (Rs 000) | (3,057,444) | (546,219) | (225,302) | (1,387,910) | (997,583) | (728,411) | (14,008) |
| Earnings / (Loss) Before Interest, Taxes, Depreciation & Amortization (EBITDA) | (Rs 000) | (1,837,056) | 424,175 | 1,002,529 | (391,280) | (262,493) | 172,169 | 858,121 |
| Gross Profit Ratio | (%) | (22.91) | (3.38) | 3.01 | (6.44) | (10.48) | (0.43) | 4.82 |
| Net Profit to Sales | (%) | (34.62) | (5.71) | (1.83) | (15.15) | (15.56) | (11.64) | (0.19) |
| EBITDA Margin to Sales (net) | (%) | (0.21) | 0.04 | 0.08 | (0.04) | (0.04) | 0.03 | 0.12 |
| Operating Leverage Ratio | (%) | (57.50) | (1,208.50) | (2.89) | 0.16 | 35.90 | 14.43 | 0.89 |
| Return on Capital Employed | (%) | (22.62) | (3.65) | (0.01) | (7.91) | (9.53) | 4.54 | 4.08 |
| Liquidity Ratios Area: | | | | | | | | |
| Current Assets | (Rs 000) | 1,661,940 | 2,359,406 | 1,128,230 | 1,177,334 | 1,246,767 | 992,065 | 1,485,414 |
| Current Liabilities | (Rs 000) | 7,079,753 | 5,598,340 | 4,578,725 | 4,831,358 | 4,556,514 | 4,170,356 | 4,052,096 |
| Net Current Assets / (Liabilities) | (Rs 000) | (5,417,813) | (3,238,934) | (3,450,495) | (3,654,024) | (3,309,747) | (3,178,291) | (2,566,682) |
| Property, Plant and Equipment | (Rs 000) | 13,915,627 | 14,661,871 | 15,451,699 | 16,166,485 | 9,745,632 | 10,253,780 | 10,825,661 |
| Total Assets | (Rs 000) | 17,507,832 | 19,023,521 | 18,562,005 | 19,135,860 | 12,724,256 | 13,467,068 | 14,307,132 |
| Current Ratio | (Times) | 0.23 | 0.42 | 0.25 | 0.24 | 0.27 | 0.24 | 0.37 |
| Quick / Acid Test Ratio | (Times) | 0.11 | 0.12 | 0.15 | 0.09 | 0.12 | 0.08 | 0.09 |
| Cash to Current Liabilities | (%) | 0.94 | 1.13 | 0.67 | 0.04 | 0.18 | 2.01 | 0.70 |
| Cash Flow from Operations to Sales | (%) | 5.25 | 6.72 | 7.07 | 5.13 | 11.03 | 17.47 | 4.07 |



| | | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|----------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Activity / Turnover Ratios Area: | | | | | | | | |
| Inventory Turnover Ratio | (Times) | 9.15 | 10.28 | 31.50 | 18.02 | 10.80 | 7.24 | 6.21 |
| No. of days in Inventory | (Days) | 39.89 | 35.52 | 11.59 | 20.26 | 33.80 | 50.38 | 58.82 |
| Debtor Turnover Ratio | (Times) | 74.06 | 94.28 | 166.71 | 64.43 | 54.16 | 167.95 | 71.49 |
| No. of Days in Receivables / Average Collection Period | (Days) | 4.93 | 3.87 | 2.19 | 5.66 | 6.74 | 2.17 | 5.11 |
| Total Assets Turnover Ratio | (Times) | 0.50 | 0.50 | 0.66 | 0.48 | 0.50 | 0.46 | 0.52 |
| Fixed Assets Turnover Ratio | (Times) | 0.63 | 0.65 | 0.80 | 0.57 | 0.66 | 0.61 | 0.68 |
| Investment / Market Ratios Area: | | | | | | | | |
| Earning / (Loss) Per Share | (Rupees) | (24.46) | (4.37) | (1.80) | (11.10) | (7.98) | (5.83) | 0.11 |
| Dividend Yield Ratio | (%) | - | - | - | - | - | - | - |
| Dividend Payout Ratio | (%) | - | - | - | - | - | - | - |
| Dividend Cover Ratio | Times | - | - | - | - | - | - | - |
| Cash Dividend per Share | (Rupees) | - | - | - | - | - | - | - |
| Market Value Per Share at the Year End | (Rupees) | 24.74 | 37.42 | 45.00 | 52.50 | 38.00 | 34.10 | 55.00 |
| - Highest during the Year | (Rupees) | 44.00 | 47.85 | 54.90 | 60.65 | 50.00 | 76.48 | 90.44 |
| - Lowest during the Year | (Rupees) | 26.63 | 29.00 | 36.50 | 29.70 | 30.17 | 26.25 | 54.15 |
| Breakup Value Per Share Including Surplus on Revaluation of Fixed Assets | (Rupees) | 54.02 | 81.37 | 84.07 | 89.77 | 54.87 | 63.67 | 69.46 |
| Capital Structure Ratios Area: | | | | | | | | |
| Shareholders' Equity (Without Surplus on revaluation of property, plant and Equipment) | (Rs 000) | (2,347,273) | 80,582 | 251,766 | (245,421) | 770,716 | 1,601,612 | 1,857,468 |
| Share Capital | (Rs 000) | 1,250,000 | 1,250,000 | 1,250,000 | 1,250,000 | 1,250,000 | 1,250,000 | 1,250,000 |
| Financial Leverage Ratio | Times | (0.32) | 11.14 | 3.88 | (5.51) | 2.44 | 1.37 | 1.50 |
| Weighted Average Cost of Debt | (%) | 23.43 | 21.13 | 12.24 | 8.60 | 11.42 | 12.39 | 7.84 |
| Long Term Debt : Equity Ratio | : | (0.09) | 2.79 | 0.16 | -1.70 | 0.60 | 0.24 | 0.29 |
| Interest Cover Ratio | (Times) | (7.16) | (1.38) | (0.01) | (3.23) | (1.34) | 1.79 | 3.06 |



Financials Information **for the year ended 30 September 2024**



Statement of Financial Position

AS AT 30 September 2024

| | 2024 | 2023 |
|-------------------------------------|--------------------|------------|
| | Rupees in thousand | |
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 13,915,627 | 14,661,871 |
| Biological assets | 34,404 | 28,889 |
| Long term investments | 1,860,326 | 1,937,220 |
| Long term advances and deposits | 35,535 | 36,135 |
| | 15,845,892 | 16,664,115 |
| CURRENT ASSETS | | |
| Biological assets | 585 | 1,632 |
| Stores, spare parts and loose tools | 94,441 | 91,429 |
| Stock-in-trade | 701,760 | 1,485,204 |
| Trade debts | 100,664 | 137,753 |
| Loans and advances | 345,648 | 181,080 |
| Prepayments and other receivables | 262,022 | 308,639 |
| Cash and bank balances | 66,572 | 63,421 |
| | 1,571,692 | 2,269,158 |
| Non-current assets held for sale | 90,248 | 90,248 |
| | 1,661,940 | 2,359,406 |
| TOTAL ASSETS | 17,507,832 | 19,023,521 |



Statement of Financial Position

AS AT 30 September 2024

| | 2024 | 2023 |
|--|--------------------|-------------------|
| | Rupees in thousand | |
| EQUITY AND LIABILITIES | | |
| SHARE CAPITAL AND RESERVES | | |
| <i>Issued, subscribed and paid-up share capital</i> | 1,250,000 | 1,250,000 |
| Capital reserves | | |
| Surplus on revaluation of property, plant and equipment - net of deferred income tax | 9,099,872 | 10,091,018 |
| Other capital reserves | 1,701,959 | 1,669,860 |
| | 10,801,831 | 11,760,878 |
| Revenue reserves | | |
| Accumulated loss | (5,299,232) | (2,839,278) |
| | 6,752,599 | 10,171,600 |
| NON-CURRENT LIABILITIES | | |
| Long term financing | 132,353 | 185,294 |
| Employees' retirement benefits | 826,552 | 727,348 |
| Deferred income tax liability | 2,716,575 | 2,340,939 |
| | 3,675,480 | 3,253,581 |
| CURRENT LIABILITIES | | |
| Trade and other payables | 5,150,059 | 4,075,580 |
| Contract liabilities | 1,093,830 | 716,403 |
| Short term borrowings | 550,253 | 672,500 |
| Accrued mark-up | 145,300 | 76,806 |
| Current portion of non-current liabilities | 79,412 | 39,706 |
| Unclaimed dividend | 1,851 | 1,916 |
| Provision for taxation | 59,048 | 15,429 |
| | 7,079,753 | 5,598,340 |
| CONTINGENCIES AND COMMITMENTS | | |
| TOTAL EQUITY AND LIABILITIES | 17,507,832 | 19,023,521 |



Financial Highlights

For the year ended 30 September 2024

(Rupees in million)

| Description | 2024 | 2023 | Favorable / (Unfavorable) | |
|---|----------|---------|---------------------------|-------|
| | | | Amount (Rs. in million) | % |
| Revenue | 8,832 | 9,562 | (730) | (8) |
| Cost of revenue | (10,855) | (9,885) | (970) | (10) |
| Gross loss | (2,023) | (323) | (1,700) | (527) |
| Admin, distribution & other expenses | (655) | (613) | (42) | (7) |
| Loss from operations | (2,678) | (936) | (1,742) | (186) |
| Other income | 117 | 348 | (230) | (66) |
| Finance cost | (377) | (363) | (14) | (4) |
| Share of (loss) / profit from equity accounted investee | (137) | 87 | (225) | (257) |
| Loss before income tax and levy | (3,074) | (863) | (2,211) | (256) |
| Levy | (110) | (116) | 7 | 6 |
| Loss before income tax | (3,184) | (979) | (2,204) | (225) |
| Income tax | 126 | 433 | (307) | (71) |
| Loss after income tax | (3,057) | (546) | (2,510) | (460) |



Production & Cost

| Description | Unit | Actual Sep-24 | Actual Sep-23 |
|--------------------------------|------------------|--------------------------|--------------------------|
| Sugarcane Crushed | MT | 778,454 | 1,019,181 |
| Sugar Recovery | % | 9.29 | 10.26 |
| Sugar Produced | MT | 72,213 | 104,540 |
| Molasses Consumed | MT | 8,970 | 38,072 |
| Biofuel Produced | MT | 1,781 | 7,947 |
| Yarn Produced | Bags | - | - |
| Converted in 20/1 count | Bags | - | - |
| Cost of Sugarcane | Per 40 kg | 403.08 | 307.57 |
| Cost of Sugarcane | Per MT | 10,077 | 7,689 |



Gross Profit Margin (Products Wise)

| Description | Unit | Cost of Sugarcane per kg of Sugar Produced |
|------------------|--------|--|
| Crop 2024 | Per kg | Rs. 108.47 |
| Crop 2023 | Per kg | Rs. 74.94 |

| Description | Unit | Net Sale Price | Cost of Goods Sold | Contribution Margin |
|----------------------------------|---------|----------------|--------------------|---------------------|
| Rupees | | | | |
| Year ended September 2024 | | | | |
| Sugar | Per MT | 98,404 | 117,830 | (19,426) |
| Biofuel | Per MT | 172,622 | 284,731 | (112,109) |
| Yarn | Per Bag | *- | *- | *- |
| Year ended September 2023 | | | | |
| Sugar | Per MT | 72,645 | 76,392 | (3,747) |
| Biofuel | Per MT | 207,316 | 187,357 | 19,959 |
| Yarn | Per Bag | *- | *- | *- |

* Operations remained closed in current year.



Contribution Margin (Products Wise)

| Description | Unit | Cost of Sugarcane per kg of Sugar Produced |
|------------------|--------|--|
| Crop 2024 | Per kg | Rs. 108.47 |
| Crop 2023 | Per kg | Rs. 74.94 |

| Description | Unit | Net Sale Price | Cost of Goods Sold | Contribution Margin |
|-------------|------|----------------|--------------------|---------------------|
|-------------|------|----------------|--------------------|---------------------|

Rupees

Year ended September 2024

| | | | | |
|---------|---------|---------|---------|----------|
| Sugar | Per MT | 98,404 | 105,454 | (7,050) |
| Biofuel | Per MT | 172,622 | 213,955 | (41,333) |
| Yarn | Per Bag | - | * - | * - |

Year ended September 2023

| | | | | |
|---------|---------|---------|---------|--------|
| Sugar | Per MT | 72,645 | 67,243 | 5,402 |
| Biofuel | Per MT | 207,316 | 132,515 | 74,801 |
| Yarn | Per Bag | - | * - | * - |

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 2024 | Sep 2023 |
|--------------------|-------------|---------------------|---------------------|
| Sugar | MT | 73,448 | 104,431 |
| Biofuel | MT | 4,760 | 6,795 |
| Yarn | Bags | - | - |



Segment Results – Sugar and Biofuel

For the year ended 30 September 2024

Rupees in thousand

| | Sugar | | Biofuel | |
|------------------------------|--------------------|--------------------|------------------|------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Revenue | | | | |
| - External | 7,711,920 | 7,706,461 | 1,119,115 | 1,853,328 |
| - Intersegment | 357,362 | 1,394,627 | 4,578 | 31,793 |
| | 8,069,282 | 9,101,088 | 1,123,693 | 1,885,121 |
| Segment expenses | | | | |
| Cost of revenue | | | | |
| - External | 9,491,555 | 9,459,045 | 1,300,001 | 354,864 |
| - Intersegment | 4,578 | 33,302 | 357,362 | 1,394,627 |
| | 9,496,133 | 9,492,347 | 1,657,363 | 1,749,491 |
| Gross (loss) / profit | (1,426,851) | (391,259) | (533,670) | 135,630 |
| - Administrative expenses | (366,750) | (299,989) | (50,992) | (62,130) |
| - Distribution cost | (14,975) | (16,576) | (51,789) | (88,018) |
| | (381,725) | (316,565) | (102,781) | (150,148) |
| Segment results | (1,808,576) | (707,824) | (636,451) | (14,518) |
| Other expenses | (131,500) | (88,476) | (18,312) | (18,326) |
| Loss from Operations | (1,940,076) | (796,300) | (654,763) | (32,844) |
| Finance costs | (330,611) | (300,642) | (45,946) | (62,128) |
| Loss before taxation | (2,270,687) | (1,096,942) | (700,709) | (94,972) |



Segment Results – Textile, Farms and Total

For the year ended 30 September 2024

Rupees in thousand

| | Textile | | Farms | | Total | |
|---|-----------------|------------------|--------------|--------------|--------------------|------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Revenue | | | | | | |
| - External | - | - | 744 | 2,035 | 8,831,779 | 9,561,824 |
| - Intersegment | - | - | - | 1,509 | - | - |
| | - | - | 744 | 3,544 | 8,831,779 | 9,561,824 |
| Segment expenses | | | | | | |
| Cost of revenue | | | | | | |
| - External | 61,834 | 66,885 | 1,383 | 3,745 | 10,854,773 | 9,884,539 |
| - Intersegment | - | - | - | - | - | - |
| | 61,834 | 66,885 | 1,383 | 3,745 | 10,854,773 | 9,884,539 |
| Gross loss | (61,834) | (66,885) | (639) | (201) | (2,022,994) | (322,715) |
| - Administrative expenses | (19,097) | (38,169) | (19) | (45) | (436,858) | (400,333) |
| - Distribution cost | (1,239) | (1,149) | - | - | (68,003) | (105,743) |
| | (20,336) | (39,318) | (19) | (45) | (504,861) | (506,076) |
| Segment results | (82,170) | (106,203) | (658) | (246) | (2,527,855) | (828,791) |
| Other operating expenses | - | - | - | - | (149,812) | (106,802) |
| Other income | - | - | - | - | 117,379 | 347,825 |
| Operating loss | (82,170) | (106,203) | (658) | (246) | (2,560,288) | (587,768) |
| Finance costs | - | - | - | - | (376,557) | (362,770) |
| Share of (loss) / income from equity accounted investee | - | - | - | - | (137,330) | 87,325 |
| Loss before income tax and levy | (82,170) | (106,203) | (658) | (246) | (3,074,175) | (863,213) |
| Levy | | | | | (109,639) | (116,218) |
| Loss before income tax | | | | | (3,183,814) | (979,431) |
| Income tax | | | | | 126,370 | 433,212 |
| Loss after income tax for the year | | | | | (3,057,444) | (546,219) |



Q & A



Thank You