



Shakarganj Limited



**Condensed Interim Reprot  
For the nine months period  
ended 30 June 2016**



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## > VISION, MISSION & VALUES

To gain and maintain leadership in the industries it competes in by producing the best quality products with lowest possible cost.

To give the best returns to shareholders by optimal allocation of resources to the products and markets the company competes in.

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

To provide the best working environment to its employees and provide opportunities to them for enhancing their skills.

To work with its farmers, suppliers and distributors as partners developing their expertise and profitability.

To pursue environment friendly policies and effectively and efficiently use all energy resources aiming for zero waste and a clean healthy environment in its vicinity.

To be a socially responsible corporate citizen supporting education, health, environment and socio economic development of the society.

## > COMPANY INFORMATION

### Board of Directors

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1. Chairman (Non-Executive)	Muhammad Anwar
2. Chief Executive Officer	Anjum Muhammad Saleem
<i>In alphabetic order:</i>	
3. Executive Director	Ali Altaf Saleem
4. Non-Executive Director	Hajerah Ahsan Saleem
5. Non-Executive Director	Khalid Bashir
6. Non-Executive Director	Muhammad Arshad
7. Non-Executive Director (NIT)	Sheikh Asim Rafiq

### Audit Committee

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Chairman	Khalid Bashir
Member	Muhammad Anwar
Member	Sheikh Asim Rafiq (NIT)
Member	Hajerah Ahsan Saleem

### Human Resource & Remuneration Committee

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Chairman	Muhammad Anwar
Member	Anjum Muhammad Saleem
Member	Khalid Bashir

### Chief Financial Officer

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Nisar Ahmad Alvi

### Company Secretary

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Asif Ali

### Management Committees

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#### Executive Committee

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Chairman	Anjum Muhammad Saleem
	Ali Altaf Saleem
	Muhammad Pervez Akhtar

#### Business Strategy Committee

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Chairman	Anjum Muhammad Saleem
	Ali Altaf Saleem
	Muhammad Pervez Akhtar
	Nisar Ahmad Alvi
	Manzoor Hussain Malik

#### System & Technology Committee

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Chairman	Muhammad Pervez Akhtar
	Nisar Ahmad Alvi
	Ibrahim Ahmad Cheema



## > SHAREHOLDERS' INFORMATION

### Stock Exchange Listing

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

### Public Information

Financial analysts, Stock brokers, interested investors and financial media desiring information about "Shakarganj" should contact Mr. Asif Ali at the Company's Office, Jhang. Tel: 047 763 1001 - 05 Fax: 047 763 1011 E-mail: info@shakarganj.com.pk

### Shareholders' Information

Inquiries concerning lost stock certificates, dividend payment, change of address, verification of transfer deeds and share transfers should be directed to CorpTec Associates (Pvt) Limited, Share Registrar of the Company at Lahore. Tel: 042 3517 0336 - 7 Fax: 042 3517 0338 E-mail: info@corptec.com.pk

### Products

- Sugar
- Bio Fuel
- Bio Power
- Building Materials
- Yarn
- Tiger Compost

### Legal Advisor

Hassan & Hassan Advocates, Lahore

### Auditors

KPMG Taseer Hadi & Co. Chartered Accountants

### Bankers

Faysal Bank Limited  
MCB Bank Limited  
National Bank of Pakistan  
Standard Chartered Bank  
Bank Islami Pakistan Limited

### Works

#### Principal Facility

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

#### Satellite Facility

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

#### Website

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

#### Registered and Principal Office

10<sup>th</sup> Floor, BOP Tower,  
10-B Block E 2, Gulberg III,  
Lahore, Pakistan  
Tel: 042 3578 3801- 06  
Fax: 042 3578 3811

#### Karachi Office

12<sup>th</sup> Floor, Sidco Avenue Centre,  
264 R.A. Lines, Karachi, Pakistan  
Tel: 021 3568 8149  
Fax: 021 3568 0476

#### Faisalabad Office

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

#### Share Registrar

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

## > COMPANY PROFILE

Shakarganj Limited was incorporated in Pakistan in 1967 as a Public Limited Company and is listed on Pakistan Stock Exchange. Shakarganj is a leading manufacturer of food products, bio fuel and building materials as well as textiles. We transform renewable crops such as sugarcane and cotton into value added products comprising refined sugar, textiles, bio fuel and building materials in addition to generating bio power from biogas. The Company has two manufacturing facilities in Jhang District. Our registered office is in Lahore.

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

### **Sugar Business:**

We have two manufacturing facilities, located in District Jhang. We produce different types of sugar comprising pharmaceutical, beverage and commercial grades sugar as well as soft brown sugar, castor and icing sugar, sugar cubes, sachets and retail packs.

Our combined crushing capacity is of 20,000 MT of sugarcane per day which is extendable to 32,000 MT per day.

### **Bio Fuel Business:**

We have distilleries located at Jhang and Bhone where various grades of bio fuel are produced. Our products include rectified bio fuel for industrial and food grades, anhydrous bio fuel for fuel grade and extra neutral bio fuel for pharmaceutical and perfume grades. The combined capacity of our distilleries is 280,000 - 300,000 litres per day.

### **Bio Power Business:**

Biogas power generation facility is located at Jhang. This facility comprises an Effluent Treatment Plant (ETP) and a Power Generation Facility. ETP operations involve biological treatment of distillery waste to produce

methane and a biological de-sulphurization plant to remove sulphur from the methane gas. This gas is then used in the power house to produce electricity which is sold to a utility company on the national grid. The present capacity of this plant is 8 megawatts. For better control, from January 2013 ETP has been transferred to Bio Fuel Business.

### **Building Materials Business:**

Our Building Materials Division is located at Jhang facility, with a capability to produce 12 x 4 feet sheets of particle board of varying thickness. Our daily production capacity is 30 cubic metres.

### **Textile Business:**

Located at Jhang, this cotton spinning unit produces carded cotton yarns ranging from 10/s to 30/s and doubled cotton yarn ranging from 8 to 15 TPI. The installed capacity is 25,856 spindles for cotton spinning and 2,304 spindles for doubling.

### **Farming & Allied Business:**

This comprises different parcels of land mainly located at Jhang Division nearby our manufacturing facilities. Total area under cultivation is 1,336 acres of which nearly 1,285 acres is owned land and rest is leased. The main crops include sugarcane, wheat, gram, maize, fodder and seasonal vegetables. A dairy farm located at Jhang has been developed, with a herd of 150 milking and fattening cattle. Small herd of rams and bucks for fattening purpose has also been developed.

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 standardized microbial culture in filter cake. The compost is a rich source of organic matter, with macro and micro nutrients to help improve soil 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 country's leading renewable ingredients business. We aim to achieve this by building a consistent portfolio of distinctive, profitable, high-value solutions in products and services for our customers. Shakarganj is committed to provide long-term value for our shareholders. Our strategy is to build a stronger value added business with a low-cost commodity base.

We focus on five key business objectives to deliver consistent growth.

#### **- Serve our Customers:**

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

#### **- Operate Efficiently and Safely:**

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

#### **- Invest in Long Term Assets and Partnerships:**

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

#### **- Invest in Technology and People:**

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

#### **- Grow the Contribution from Value Added Products:**

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



## > DIRECTORS' REVIEW

I am pleased to present the unaudited condensed interim financial information of the Company for the nine months period ended 30 June 2016.

### **Financial and Operational Performance:**

#### **Summary of operating performance:**

The divergency in sugarcane support price as noticed during previous crushing season between Sindh and Punjab provinces was also witnessed during the current season. The support price announced in the Punjab province was Rs. 180 per 40 kg, compared to Rs. 172 per 40 kg in Sindh. This disparity created uncertainty in local sugar market. The per acre yield also declined by more than 7% leading to a shortened crushing season which closed in early March 2016. Moreover, the drop of international prices of petroleum products adversely affected the profitability of our Bio Fuel Division. Sugar prices during this period were better than last year but at the same time, the cost of production also went up due to increased price competition for the limited sugarcane crop.

The current season proved to be another difficult season for Company whereby our capacity utilization was adversely affected by market conditions and liquidity crunch. In spite of 4% increase in average recovery of sugar at Shakarganj, the Sugar Division recorded operational losses of Rs. 186 million due to increased cost of production on account of higher sugarcane price and increased fixed overheads cost per unit due to low capacity utilization.

Despite all the challenges, positive bottom line helped the Company to manage the affairs within range bound. With the help of share of profit from associated companies, your Company was able to post Rs. 168.05 million profit before tax as compared to Rs. 275 million profits before tax in the corresponding period.

After tax profit for the period ended 30 June 2016 was Rs. 147.12 million as compared Rs 173.10 million profits in corresponding period of last year. We are trying to arrest the situation and hope that in remaining part of Fiscal 2016, after revival of liquidity scenario, bio-fuel and bio-power will start its operations.

### **Business Segments:**

#### **Sugar Division:**

Due to shortage of raw material the operations started fairly late on 28 November 2015 and came to a halt on 03 March 2016. The production of sugar was obviously much lower. The Sugar Division crushed 450,804 MT (9MFY15: 615,394 MT) of sugarcane to produce 45,707 MT (9MFY15: 59,905 MT) of sugar at an average recovery rate of 10.16 percent (9MFY15: 9.73 percent) resulting in a 24 percent decrease in sugar production.

#### **Bio-Fuel Division:**

During the period under review, the performance of Bio-Fuel Division was affected due to low level of crushing when compared to the corresponding period last year. Reduction in sales prices and working capital constraints also affected this business adversely. Exports accounted for around 92 percent of total sales. For part of the period under review, we operated on a limited scale in order to stretch the production timeline utilizing our available molasses stocks while at the same time facilitating commissioning of our Carbon Dioxide Plant established by Pak Gases.

#### **Bio-Power Division:**

The Bio-Power Division was not operated and bio power generation remained nil (9MFY15: 10.7 million units) primarily due to lower price paid for bio power by FESCO as opposed to utilizing the biogas in our boilers.



#### **Building Materials Division:**

In view of depressed selling prices of particle board, this division did not operate during the period under consideration.

#### **Textile Division:**

Yarn production decreased to 2.47 million kg (9MFY15: 3.91 million kg). The decrease in production was mainly attributable to changes in product mix, focus on higher count yarn & utilization of efficient machinery, and liquidity problems.

#### **Outlook:**

As explained in our last annual report, the Company has been in a tight liquidity position since 2009. Subsequent to the year ended 30 September 2015, the Company has again requested its lenders for working capital lines for financing of its operations in Fiscal 2016. Negotiations are also in process for the long term financing with one of Company lenders and hopefully this would be finalized soon. Company remains committed to do its best efforts to keep the operations going on and to improve its liquidity scenario. Keeping in view the financials of the Company, further equity amounting to Rs. 404.76 million has been injected through issuance of right shares and as explained in note 1.2 and 7 to the attached condensed interim financial information, the same has been utilized for redemption of preference shares and outstanding preference dividend.

The management is trying its best to deal with the situation of adverse business environment. The Company has also entered into agreement for sale of carbon dioxide (CO<sub>2</sub>), produced as a by-product of bio fuel manufacturing process, that will help generate additional liquidity. Due to unforeseen factors, commissioning of the CO<sub>2</sub> plant was delayed, however, we expect revenue generation from this business with the start up of operations of bio fuel.

The Company believes that there is no doubt on its ability to continue as a going concern as it has adequate operating capabilities to continue operations for the foreseeable future. The steps taken by the management so far and those planned for the future are explained in Note 1.2 of the annexed condensed interim financial information.

On behalf of the Board

**Anjum Muhammad Saleem**  
**Chief Executive Officer**

Date: 19 July 2016

## > CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

As at 30 June 2016

	Note	30 June 2016 (Un-audited) (Rupees in thousand)	30 September 2015 (Audited)
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised capital			
150,000,000 (30 September 2015: 150,000,000) ordinary shares of Rs 10 each		1,500,000	1,500,000
50,000,000 (30 September 2015: 50,000,000) preference shares of Rs 10 each		500,000	500,000
		2,000,000	2,000,000
Issued, subscribed and paid up capital			
110,000,000 (30 September 2015: 69,523,798) ordinary shares of Rs 10 each	7	1,100,000	695,238
Equity portion of director loan - net of tax		47,231	-
Reserves		933,902	896,940
Accumulated loss		(1,966,403)	(2,303,988)
		114,730	(711,810)
Surplus on revaluation of property, plant and equipment		5,014,640	5,203,063
<b>Non-current liabilities</b>			
Long term finances	8	488,239	-
Deferred taxation		829,995	864,353
		1,318,234	864,353
<b>Current liabilities</b>			
Current portion of long term liabilities		121,525	1,034,356
Short term borrowings	9	1,229,169	2,584,737
Trade and other payables		2,942,704	3,737,147
Accrued finance cost		217,114	616,745
		4,510,512	7,972,985
<b>Contingencies and commitments</b>			
	10		
		10,958,116	13,328,591

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

  
Chief Executive



	Note	30 June 2016 (Un-audited) (Rupees in thousand)	30 September 2015 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	9,133,564	9,599,483
Intangible assets		706	775
Biological assets		7,762	9,954
Investments - related parties	12	935,928	901,845
Employees' retirement benefits		12,126	12,126
Long term loans, advances and deposits		36,945	36,945
		10,127,031	10,561,128
<b>Current assets</b>			
Biological assets		4,856	20,668
Stores, spares and loose tools		79,130	83,516
Stock-in-trade	13	365,482	804,951
Trade debts		41,451	30,564
Loans, advances, deposits, prepayments and other receivables		321,112	299,308
Cash and bank balances	14	19,054	1,528,456
		831,085	2,767,463
		10,958,116	13,328,591

  
**Chairman**

## > CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

For the Nine Months Period Ended 30 June 2016 (Un-Audited)

	Note	Quarter ended		Nine months ended	
		30 June	30 June	30 June	30 June
		2016	2015	2016	2015
----- (Rupees in thousand) -----					
Sales	15.1	689,699	1,802,084	4,151,655	6,436,863
Cost of sales	15.2	(812,092)	(1,604,035)	(4,219,050)	(6,216,083)
<b>Gross profit / (loss)</b>		(122,393)	198,049	(67,394)	220,780
Administrative expenses		(46,953)	(59,825)	(168,736)	(200,883)
Distribution and selling costs		(11,878)	(62,770)	(52,961)	(158,243)
Other operating expenses		5,397	(8,141)	(45,262)	(16,801)
Other income	16	120,124	222,364	430,188	329,426
<b>Profit / (loss) from operations</b>		(55,703)	289,677	95,834	174,279
Finance cost		(35,737)	(62,303)	(145,896)	(196,266)
Share of income from associate		31,761	82,160	218,113	296,986
<b>Profit / (loss) before taxation</b>		(59,679)	309,534	168,052	274,999
Taxation					
- Company		5,859	(17,981)	5,467	(64,173)
- Associates		(5,909)	(17,585)	(26,402)	(37,729)
		(50)	(35,566)	(20,935)	(101,901)
<b>Profit / (loss) after taxation</b>		(59,729)	273,968	147,117	173,098
<b>Earnings per share</b>					
<b>Basic earnings/ (loss) per share</b>	17.1	(0.54)	3.68	1.55	2.32
<b>Diluted earning / (loss) per share</b>	17.2	(0.54)	3.41	1.55	2.16

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

  
Chief Executive

  
Chairman



## > CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME

For the Nine Months Period Ended 30 June 2016 (Un-Audited)

	Quarter ended		Nine months ended	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	----- (Rupees in thousand) -----			
<b>Profit / (loss) after taxation for the period</b>	(59,729)	273,968	147,117	173,098
<b><u>Other comprehensive income</u></b>				
<b>Items that are or may be subsequently reclassified to profit or loss account</b>				
Fair value gain on ' Available for sale' investments	(66,438)	(49,700)	36,968	-
Share of other comprehensive (loss) / income of associates	-	73	(6)	282
	(66,438)	(49,627)	36,962	282
<b>Total comprehensive income / (loss) for the period</b>	(126,167)	224,341	184,079	173,380

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

  
Chief Executive

  
Chairman

## > CONDENSED INTERIM CASH FLOW STATEMENT

For the Nine Months Period Ended 30 June 2016 (Un-Audited)

	Note	Nine months ended	
		30 June 2016 (Rupees in thousand)	30 June 2015
<b>Cash flows from operating activities</b>			
Cash (used in) / generated from operations	19	(131,631)	1,010,939
Finance cost paid		(246,192)	(193,442)
Taxes paid		(67,542)	(55,825)
Net changes in long term advances, loans, deposits and prepayments		-	431
<b>Net cash (used in) / generated from operating activities</b>		<b>(445,365)</b>	<b>762,102</b>
<b>Cash flows from investing activities</b>			
Fixed capital expenditure		(1,970)	(8,374)
Dividend received		4,488	4,488
Proceeds from sale of investment		250,490	381,216
Proceeds from sale of right allotment letters		31,682	-
Sale proceeds from sale of livestock		1,023	4,579
Proceeds from sale of property, plant and equipment		68,090	3,604
<b>Net cash generated from investing activities</b>		<b>353,803</b>	<b>385,513</b>
<b>Cash flows from financing activities</b>			
Repayment of finance lease		-	(9,931)
Proceeds against right shares		404,762	-
Short term borrowings - net		(1,355,568)	(983,311)
Long term finances obtained		200,000	-
Long term finances repaid		(667,034)	(240,433)
<b>Net cash used in from financing activities</b>		<b>(1,417,840)</b>	<b>(1,233,675)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(1,509,402)</b>	<b>(86,060)</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>1,528,456</b>	<b>94,992</b>
<b>Cash and cash equivalents at end of period</b>		<b>19,054</b>	<b>8,932</b>

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

  
Chief Executive

  
Chairman

## > CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the Nine Months Period Ended 30 June 2016 (Un-Audited)

	CAPITAL RESERVE				REVENUE RESERVE			(Rupees in thousand)			
	Share Capital	Equity portion of director loan - net of tax	Share Premium	Share in capital reserves of associates	Fair Value Reserve	Difference of Capital Under Scheme of Arrangement of Merger	General	Dividend Equalization	Equity Investment Market Value Equalization	Accumulated loss	Total
<b>Balance as at 01 October 2014</b>	695,238	-	243,282	23,803	170,414	155,930	410,606	22,700	83,000	(2,459,840)	(654,867)
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	173,098	173,098
Profit for the nine months period ended 30 June 2015	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period:	-	-	-	-	-	-	-	-	-	-	-
Fair value gain on 'Available for sale' Investments	-	-	-	-	(170,414)	-	-	-	-	-	(170,414)
Gain realised on disposal of 'Available for sale' investments transferred to profit and loss	-	-	-	282	-	-	-	-	-	-	282
Share of other comprehensive income of associates	-	-	-	282	170,414	-	-	-	-	-	173,098
Surplus transferred to accumulated losses on account of incremental depreciation on property, plant and equipment - net of tax	-	-	-	-	-	-	-	-	-	210,386	210,386
<b>Balance as at 30 June 2015</b>	695,238	-	243,282	24,085	-	155,930	410,606	22,700	83,000	(2,076,356)	(441,515)
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	-	-	-	(315,854)	(315,854)
Loss for the three months period ended 30 September 2015	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period:	-	-	-	-	(16,247)	-	-	-	-	22,033	(16,247)
Fair value gain on 'Available for sale' Investments	-	-	-	-	-	-	-	-	-	-	-
Reassessment gain on employee retirement benefits	-	-	-	-	-	-	-	-	-	-	-
Gain realised on disposal of 'Available for sale' investments transferred to profit and loss	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income of associates reclassified to profit and loss	-	-	-	(26,579)	-	-	-	-	-	-	(26,579)
Share of other comprehensive income of associates	-	-	-	163	-	-	-	-	-	-	163
Surplus transferred to accumulated losses on account of: - disposal of plant and machinery	-	-	-	-	(16,247)	-	-	-	-	(293,821)	(336,484)
- Incremental depreciation of property, plant and equipment - net of tax	-	-	-	-	-	-	-	-	-	154	154
<b>Balance as at 30 September 2015</b>	695,238	-	243,282	(2,331)	(16,247)	155,930	410,606	22,700	83,000	(2,303,988)	(66,189)
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	-	-	-	147,117	147,117
Profit for the nine months period ended 30 June 2016	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period:	-	-	-	-	36,968	-	-	-	-	-	36,968
Fair value gain on 'Available for sale' Investments	-	-	-	(6)	-	-	-	-	-	-	(6)
Share of other comprehensive loss of associate	-	-	-	(6)	36,968	-	-	-	-	-	36,968
Surplus transferred to accumulated losses on account of incremental depreciation on property, plant and equipment - net of tax	-	-	-	-	-	-	-	-	-	147,117	147,117
<b>Transactions with owners of the Company, recognized directly in equity</b>	-	-	-	-	-	-	-	-	-	188,422	188,422
Proceeds from right shares	404,762	-	-	-	-	-	-	-	-	-	404,762
Equity portion of loan from director - net of tax	-	49,277	-	-	-	-	-	-	-	-	49,277
Equity portion of loan transferred to accumulated losses	-	(2,046)	-	-	-	-	-	-	-	2,046	-
<b>Balance as at 30 June 2016</b>	1,100,000	47,231	243,282	(2,337)	20,721	155,930	410,606	22,700	83,000	(1,966,403)	114,730

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

*Signature*

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## > NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the Nine Months Ended 30 June 2016 (Un-Audited)

### 1. THE COMPANY AND ITS OPERATIONS

**1.1** The Company is incorporated in Pakistan and is listed on Pakistan Stock Exchange. It is principally engaged in manufacture, purchase and sale of sugar, bio fuel, building materials, yarn (textile) and engaged in generation and sale of electricity (bio power). The Company has its principal manufacturing facilities at Jhang and satellite manufacturing facilities at Bhone. The registered office of the Company is situated at 10th floor, BOP tower, 10-B, Block E-2, Main Boulevard, Gulberg-III, Lahore.

### 1.2 Going concern assumption

The Company has been facing liquidity crunch for the last few years. During this interim period, the liquidity position further deteriorated resulting in low level of cane procurement and consequent low level of crushing. As at the reporting date the current liabilities of the Company have exceeded its current assets by Rs. 3,679 million (30 September 2015: Rs. 5,206 million) and as at this date the accumulated losses stands at Rs. 1,966 million (30 September 2015: Rs. 2,304 million).

During this interim period, the Company has crushed 0.45 million tonnes (30 June 2015: 0.62 million tonnes) of sugarcane and produced sugar of 45,798 tonnes (30 June 2015: 59,905 tonnes) at average recovery of 10.16% (30 June 2015: 9.73%). Further 10.20 million litre (30 June 2015: 45.17 million litre) of bio fuel was produced during the period. The lower level of operations is primarily due to liquidity constraints.

Long term loans and redeemable term finance certificates overdue as of 30 June 2016 amounts to Rs. 6.14 million and Rs. 58.2 million respectively alongwith overdue accrued markup of Rs. 176.2 million.

The above conditions raise significant doubts on the Company's ability to continue as a going concern and, therefore, it may not be able to realize its assets and discharge its liabilities in the normal course of business. However, the management is confident of the Company's ability to continue as a going concern based on its concerted effort to re-profile borrowings and cost efficient operational levels of cane crushing and bio fuel manufacturing.

The steps taken by management up till now and planned in future are as follows:

To-date out of total overdue finances, the Company has repaid the bridge finance and other overdue borrowings through utilisation of cash flows from operational results and sale of certain assets of the Company, namely, Sugar Unit at Dargai Shah, power division at Dargai Shah, disposal of certain investments (Safeway Fund Limited, Safeway Mutual Fund Limited, Asian Stocks Fund Limited, Crescent Jute Products Limited and Altern Energy Limited) and partial disposal of agricultural land.

During the period, further equity amounting to Rs. 404.76 million has been injected through issuance of right shares and as explained in note 7.1 to this condensed interim unconsolidated financial information, the same has been utilized for redemption of preference shares and outstanding preference dividend. Further, as referred to in note 8.2, Rs. 200 million has been given as loan by Executive Director of the Company.

The Company, in its efforts to re-profile its borrowings, continued the process of negotiations with its lenders seeking short term financing facilities for operational liquidity and relaxation in payments of its existing loans.



### **Long term financing - secured**

The Company requested its lenders for restructuring of over-due balances including mark-up to term borrowings under reduced and/or non-mark-up arrangements. As a result, the Company has in current and prior periods successfully restructured/rescheduled various loans amounting to Rs. 2,105 million with respective lenders (including term finance certificate holders), out of which Rs. 1,676 million has been repaid as of 30 June, 2016. As explained in detail in note 8.1, during the nine months, the Company has restructured principal and markup outstanding of Rs. 481 million and Rs. 189.05 million into term loans with National Bank of Pakistan. As at the period end, loan amounting to Rs. 58.2 million is in overdue.

### **Short term financing- secured**

The Company has negotiated with its lenders for short term secured financing for operational liquidity and has obtained working capital lines of Rs 1,400 million from a number of banks of which Rs 783 million has been utilized as of 30 June, 2016. These facilities have been obtained against pledge of Sugar / Molasses / Bio Fuel at margin ranging from 15% to 20% and have resulted in operational liquidity support in the current period.

This condensed financial information is prepared on a going concern basis. The management is confident that it will continue to be supported by the lenders for operational liquidity and will utilize such funds to increase its operations and generate positive operational results. The condensed interim financial information consequently, do not include any adjustments relating to the realisation of its assets and liquidation of any liabilities that might be necessary should the Company be unable to continue as a going concern.

The condensed interim financial information have been prepared on a going concern basis based on management's expectation that:

- the Company will continue to get support of its lenders and will be able to obtain relaxation in payment terms of its over-due borrowings; and
- the Company will be able to generate adequate liquidity through new short term borrowings and will be successful in utilising such funds to increase its operations and achieve its budgeted targets for production of sugar, bio fuel etc.

## **2. BASIS OF PREPARATION**

This condensed interim financial information is un-audited and has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. The disclosures in this condensed interim financial information does not include all the information reported for full annual financial statements and should be read in conjunction with the annual financial statements for the year ended 30 September 2015.

This condensed interim financial information is being submitted to the shareholders as required by section 245 the Companies Ordinance, 1984.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

**3.1** Except for note 3.2, the accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are same as those applied in the preparation of the financial statements for the year ended 30 September 2015.

#### **3.2 Change in accounting policies**

The Company has adopted IFRS-13 'Fair Value Measurement' during the period which became effective for financial periods beginning on or after 1 January 2015. IFRS-13 'Fair Value Measurement' establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required and permitted by other IFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants on the measurement date. It replaces and expands the disclosure requirements about fair value measurement in other IFRSs, including IFRS-7 'Financial Instruments : Disclosures'. As a result the Company has added additional disclosures in this regard in note 17 to the condensed interim financial information. In accordance with the transitional provisions of IFRS-13, the Company has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impacts on the measurements of the Company's financial assets and liabilities.

### **4. ESTIMATES**

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 30 September 2015.

### **5. SEASONALITY OF OPERATIONS**

Due to seasonal nature of sugar segment, lower operating profits are usually expected in the last quarter than the first nine months.

### **6. TAXATION**

The provision for taxation for the nine months ended 30 June 2016 has been made on an estimated basis.

### **7. ISSUED, SUBSCRIBED AND PAID UP CAPITAL**

This includes proceeds of Rs. 404.76 million against 40,476,204 right shares issued pursuant to the decision of the Board of Directors of the Company in the meeting held on 08 January 2016 to offer right shares to the shareholders in the proportion of 0.5822 for every ordinary share held. These shares have been duly allocated during to the period end. The primary purpose of the right issue was redemption of preference shares alongwith outstanding preference dividend.



	Note	30 June 2016 (Rupees in thousand)	30 September 2015
<b>8. LONG TERM FINANCES</b>			
<i>Under interest/markup arrangements:</i>			
Interest bearing		312,650	569,400
Interest free	8.1.1	99,297	-
		411,947	569,400
Redeemable Capital			
Preference shares (non-voting) - unsecured		-	345,756
Term finance certificates (non-voting) - secured		58,200	119,200
		58,200	464,956
Loan from director	8.2	139,617	-
		609,764	1,034,356
Less: Current portion shown under current liabilities	8.3		
- Long term loans - secured		(63,325)	(569,400)
- Redeemable capital - preference shares (non-voting) - secured		-	(345,756)
- Redeemable capital - term finance certificates (non-voting) - secured		(58,200)	(119,200)
		(121,525)	(1,034,356)
		488,239	-

**8.1** During the period, the Company has executed a restructuring arrangement for the settlement of their outstanding exposure with National Bank of Pakistan. As per the arrangement, the principal overdue under demand finances amounting to Rs 481 million has been rescheduled to a term loan repayable in five years with an upfront deposit of 35% of the overdue principal amount and at a reduced mark-up rate. The total markup payable under the overdue demand finances (frozed markup) was Rs. 348.83 million out of which Rs. 189.05 million has been restructured to an interest free term loan repayable in five years with an upfront deposit of 35% of the restructured markup amount. The remaining overdue markup of Rs. 159.78 million has been waived off by the bank and consequently charged to profit and loss account. Further the export refinance working capital line has also been renewed up-to Rs 300 million after an upfront deposit of 35% of outstanding principal and markup. As per the restructuring arrangement, an event of default will be occur if the Company fails to make any repayment under the arrangement.

**8.1.1** The frozen markup restructured to an interest free loan has been recognized at amortized cost using discount rate of 3 months Kibor + 1%. The resulting change has been recognized in the profit and loss account.

	30 June 2016 (Rupees in thousand)	30 September 2015
Interest free loan	122,883	-
Present value adjusted on initial recognition of loan <sup>16</sup>	(21,170)	-
Notional finance cost	3,728	-
Payment during the period	(6,144)	-
	99,297	-

- 8.2** This represents unsecured interest free loan obtained from executive director of the Company and is repayable in lump sum after five years.

	<b>Note</b>	<b>30 June 2016 (Rupees in thousand)</b>	30 September 2015
Loan from director		200,000	-
Equity portion of loan - Present value adjustment of initial recognition of loan		(62,998)	-
Notional finance cost		2,615	
	8.2.1	139,617	-

- 8.2.1** This loan has been recognized at amortised cost using discount rate of 7.86%. The resulting change has been charged to equity (net of tax).

- 8.3** The aggregate current portion of Rs. 121.525 million (30 September 2015: Rs. 1,034.36 million) includes over-due principal installments aggregating to Rs. 54.344 million (30 September 2015: Rs. 869.96 million) and Rs 67.181 million (30 September 2015: Rs. 164.40 million) representing principal installments which under the term of original loan agreements are due for repayment in period subsequent to 30 June, 2016. However, as the Company could not repay on a timely basis the installments due up till the year ended 30 June, 2016 and is not compliant with certain debt covenants, which represents a breach of the respective agreements, therefore these loans have been disclosed as a current liability under the guidance contained in "IAS 1 Presentation of financial statements".

Further the lenders as part of the financing/restructuring agreements have restricted dividend distribution by the company until full satisfaction of the entire over-due amount and other amounts due during the tenor of the finance facilities.

	<b>Note</b>	<b>30 June 2016 (Rupees in thousand)</b>	30 September 2015
<b>9. SHORT TERM BORROWINGS</b>			
<b>Secured:</b>			
- Cash / Running finances	9.2	139,053	-
- Export refinance	9.3	644,288	659,578
- Short term loan	9.4	-	1,500,000
<b>Unsecured:</b>			
- Short term interest free financing	9.5	445,828	425,159
		1,229,169	2,584,737
<b>9.1 Types of short term borrowings</b>			
Interest / mark-up based financing		683,341	559,578
Islamic mode of financing		100,000	1,600,000
Interest free financing		445,828	425,159
		1,229,169	2,584,737



## 9.2 Cash / Running finances

These finances were available at a mark-up ranging from 8.10% to 8.36% (30 September 2015: 8.68% to 12.22%) on the outstanding balance or part thereof.

The aggregate cash / running finances are secured against pledge of stock-in-trade and registered hypothecation charge on property, plant and equipment and current assets of the Company.

## 9.3 Export refinance

These finances were available at a mark-up ranging from 8.10% to 9.25% (30 September 2015: 8.68% to 13.16%) on the outstanding balance or part thereof. Foreign currency borrowings were available at mark-up rates based on LIBOR ranging from 3.43% to 3.52% (2015: 3.38% to 4.68%).

The aggregate export and import finances are secured against lien on export contracts and first charge on current assets of the Company.

As explained in note 8.1, it includes Rs. 231.07 million from National Bank of Pakistan as part of the restructuring arrangement finalized with the bank.

## 9.4 Short term loan

This loan was available at a mark-up of base rate (corporate saving account rate) plus 1.5% and was secured by 100% cash security in shape of lien over corporate saving account of the Company maintained with the bank and exclusive charge over diminishing musharika (DM) assets, where Company's share is minimum 10% of DM assets. This loan has been fully repaid during the period.

## 9.5 Short term interest free financing

It represents unsecured short term interest free financing provided by a sugar agent for financing the operations of the Company.

## 10. CONTINGENCIES AND COMMITMENTS

### 10.1 Contingencies

There is no material change in the status of contingencies as set out in note 15.1 to the financial statements of the Company for the year ended 30 September 2015.

### 10.2 Commitments

The Company has the following commitments in respect of:

- (i) Contract for capital expenditure amounting to Rs. nil (30 September 2015: Rs. 76.18 million).
- (ii) Contracts for acquisition of intangible (computer software) amounting to Rs 20 million (30 September 2015: Rs. 20 million).
- (iii) Contracts for other than capital expenditures Rs. 1.2 million (30 September 2015: Rs 2.45 million).

	Note	<b>30 June 2016 (Rupees in thousand)</b>	30 September 2015
<b>11. PROPERTY, PLANT AND EQUIPMENT</b>			
<i>Operating assets - at net book value</i>			
- Owned assets	11.1	9,082,300	9,545,987
Capital work in progress	11.2	51,264	53,496
		9,133,564	9,599,483
<b>11.1 Operating assets - at net book value</b>			
Net book value at the beginning of the period / year		9,545,987	10,115,176
Add: Additions during the period / year	11.1.1	3,751	13,320
Transfer from leased assets - plant and machinery		-	53,862
		3,751	67,182
Less: Deletions during the period / year		31,305	4,276
Depreciation charged during the period / year		436,134	632,095
		467,439	636,371
		9,082,300	9,545,987
<b>11.1.1 Additions during the period / year</b>			
Freehold Land		-	100
Building and roads on freehold land		1,693	-
Plant and machinery		1,598	12,501
Tools and equipments		126	79
Office equipments		18	334
Water, electric and weighbridge equipments		67	152
Furniture and fixtures		251	147
Library books		-	7
		3,751	13,320
<b>11.2 Capital work in progress</b>			
Civil works		1,198	2,813
Plant and machinery		37,067	36,805
		38,265	39,618
Advances to suppliers		49,937	50,816
Less: Provision for doubtful advances		(36,938)	(36,938)
		12,999	13,878
		51,264	53,496



	Note	30 June 2016 (Rupees in thousand)	30 September 2015
<b>12. INVESTMENTS - RELATED PARTIES</b>			
In equity instrument of associate	12.1	845,149	653,444
Available for sale	12.2	90,779	248,401
		935,928	901,845
<b>12.1 In equity instruments of associate</b>			
<i>Unquoted</i>			
<b>Shakarganj Food Products Limited</b>			
74,654,596 (30 September 2015: 74,654,596) fully paid ordinary shares of Rs. 10 each			
Equity Held: 49.24% (September 30 2015: 49.24%)			
	12.1.1	845,149	653,444
<b>12.1.1 Movement during the period / year</b>			
Cost		393,818	444,494
Brought forward amounts of post acquisition reserves, profits and negative goodwill recognized directly in profit and loss account		259,626	159,193
		653,444	603,687
Share of movement in reserves during the period / year		(6)	445
Share of profit for the period / year			
- before taxation		218,113	378,618
- provision for taxation		(26,402)	(53,510)
		191,711	325,108
		845,149	929,240
Dividends received during the year		-	(4,488)
Transferred to available for sale		-	(271,308)
		-	(275,796)
Balance as at period / year end		845,149	653,444



**12.1.2** Investment in associate includes goodwill amounting to Rs. 71.26 million (30 September 2015: Rs. 71.26 million).

**12.1.3** The Company's share of the results of its principal associate, which is incorporated in Pakistan, and its share of the assets (including goodwill) and liabilities are as follow:

<b>For the Nine months ended 30 June 2016</b>					
<b>Name</b>	<b>Percentage interest held</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Revenues</b>	<b>Profit</b>
		----- (Rupees in thousand) -----			
Shakarganj Food Products Limited	49.24%	1,916,511	(1,151,241)	3,673,125	191,711
		<u>1,916,511</u>	<u>(1,151,241)</u>	<u>3,673,125</u>	<u>191,711</u>
<b>For the year ended 30 September 2015</b>					
<b>Name</b>	<b>Percentage (interest held)</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Revenues</b>	<b>Profit</b>
		----- (Rupees in thousand) -----			
Shakarganj Food Products Limited	49.24%	1,723,853	(1,141,670)	4,148,983	315,471
		<u>1,723,853</u>	<u>(1,141,670)</u>	<u>4,148,983</u>	<u>315,471</u>

**12.1.4** The Company has assessed the recoverable amount of investment in Shakarganj Food Products Limited based on value in use calculation. This calculation has been made on discounted cash flow methodology which assumes gross profit margin of 19.40% - 21.34%, EBITDA of 8.74% - 10.48%, terminal growth rate of 4% and weighted average cost of capital of approximately 10.60%.

	<b>Note</b>	<b>30 June 2016</b>	30 September 2015
		<b>(Rupees in thousand)</b>	
<b>12.2 Available for sale</b>			
Associated / Related companies - at cost	12.2.1	73,058	267,648
Others - at cost	12.2.2	2,200	2,200
		<u>75,258</u>	<u>269,848</u>
Add: Cumulative fair value reserve	12.2.3	20,721	(16,247)
Less: Cumulative impairment losses recognized	12.2.4	(5,200)	(5,200)
Fair value gain / (loss)		<u>15,521</u>	<u>(21,447)</u>
		<u>90,779</u>	<u>248,401</u>



	Note	30 June 2016 (Rupees in thousand)	30 September 2015
<b>12.2.1 Associated / Related companies</b>			
<b><u>Quoted - related party</u></b>			
<b>Crescent Steel and Allied Products Limited</b>	12.2.1.1	70,058	264,648
792,068 (30 September 2015: 2,992,068) fully paid ordinary shares of Rs. 10 each Equity held: 1.02% (30 September 2015: 4.82%) Market value - Rs. 90.779 million (30 September 2015: Rs. 248.4 million)			
<b><u>Unquoted - associated company</u></b>			
<b>Crescent Standard Telecommunications Limited</b>			
300,000 (30 September 2015: 300,000) fully paid ordinary shares of Rs. 10 each			
		3,000	3,000
		<b>73,058</b>	<b>267,648</b>

**12.2.1** During the period, Crescent Steel and Allied Products Limited (CSAPL) made a right issue which was not subscribed up by the Company and consequently letter of right were disposed off. This dilution in equity held is due to disposing off letter of right of 0.75 million ordinary shares of CSAPL for Rs. 31.68 million. Moreover, Rs. 250.49 million realised on sale of 2.2 million shares of CSAPL which resulted in a profit of Rs. 55.9 million.

	30 June 2016 (Rupees in thousand)	30 September 2015
<b>12.2.2 Others</b>		
<b><u>Unquoted</u></b>		
<b>Crescent Group Services ( Private ) Limited</b>		
220,000 (30 September 2015: 220,000) fully paid ordinary shares of Rs. 10 each		
	2,200	2,200
	<b>2,200</b>	<b>2,200</b>
<b>12.2.3 Cumulative fair value reserve</b>		
As at 01 October	(16,247)	-
Disposal of shares	11,946	
Fair value adjustment during the period / year	25,022	(16,247)
As at period / year end	<b>20,721</b>	<b>(16,247)</b>
<b>12.2.4 Cumulative impairment losses recognized</b>		
As at 01 October	5,200	5,200
Reversed during the period / year	-	-
As at period / year end	<b>5,200</b>	<b>5,200</b>

**12.3** Investments with face value of Rs 575.55 million (30 September 2015: 575.55 million) are pledged as security against long term running finances and short term borrowings.

	Note	<b>30 June 2016 (Rupees in thousand)</b>	30 September 2015
<b>13. STOCK IN TRADE</b>			
Raw materials		165,405	296,213
Work-in-process		12,695	6,419
Finished goods		187,382	502,319
		365,482	804,951

**13.1** The amount charged to profit and loss account on account of write down of finished goods to net realizable value amount to Rs. 15 million (30 September 2015: Rs. 81.28 million).

#### **14. CASH AND BANK BALANCES**

*At banks on:*

- Saving accounts			
- Pak rupees		-	1,500,056
- Foreign currency	14.1	74	74
		74	1,500,130
- Current accounts		16,813	27,609
		16,887	1,527,739
In hand		2,167	217
In transit		-	500
		19,054	1,528,456

**14.1** Foreign currency account includes Euros 635 (30 September 2015: Euros 635).

## 15. SEGMENTS INFORMATION

(Rupees in thousand)

	Sugar				Bio Fuel				Bio Power				Building materials				Sub-total carried forward			
	Quarter ended		Nine months ended		Quarter ended		Nine months ended		Quarter ended		Nine months ended		Quarter ended		Nine months ended		Quarter ended		Nine months ended	
	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016
<b>15.1 Sales</b>																				
External	404,988	16,411	3,066,824	2,631,212	4,880	68,804	30,060	187,041	-	-	-	-	-	-	-	-	409,868	88,814	3,096,884	2,827,225
-Local	-	861,59	37,555	89,136	103,301	1,375,124	475,870	2,582,315	-	-	-	-	-	-	-	-	103,301	1,461,283	513,425	2,671,451
-Export	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intersegment	404,988	102,570	3,104,379	2,720,348	108,181	1,443,928	505,930	2,769,356	-	-	-	-	-	-	-	-	513,169	1,550,097	3,610,309	5,498,676
	8,317	88,776	231,759	525,823	1,254	55,398	28,305	131,208	-	-	-	-	-	-	-	-	513,169	1,550,097	3,610,309	5,498,676
	413,305	191,346	3,336,138	3,246,171	109,435	1,499,326	534,235	2,900,564	-	-	-	-	-	-	-	-	-	-	-	-
<b>15.2 Segment expenses</b>																				
<b>Cost of sales</b>																				
Net of intersegment costs	487,293	325,681	3,341,239	3,617,293	128,359	1,022,430	306,498	1,680,679	4,775	15,617	18,163	46,956	1,230	6,359	3,873	16,427	621,657	1,370,087	3,669,773	5,361,355
Intersegment cost	1,254	39,834	43,860	100,435	8,316	92,751	225,498	530,927	-	19,189	-	51,882	-	15	2	122	-	-	-	-
	488,547	365,515	3,385,099	3,717,728	136,675	1,115,181	531,996	2,211,606	4,775	34,806	18,163	98,838	1,230	6,374	3,875	16,549	621,657	1,370,087	3,669,773	5,361,355
Gross profit / (loss)	(75,242)	(174,169)	(48,961)	(471,557)	(27,240)	384,145	2,239	688,958	(4,775)	13,643	(18,163)	22,750	(1,230)	(2,775)	(3,875)	(7,577)	(108,488)	180,010	(59,464)	137,321
Administrative expenses	(34,439)	(7,704)	(130,031)	(86,253)	(6,925)	(43,647)	(20,819)	(88,578)	-	(1,429)	-	(3,462)	-	(133)	-	(377)	(41,364)	(52,913)	(150,850)	(178,670)
Distribution and selling cost	(4,194)	(715)	(6,659)	(7,324)	(6,948)	(61,678)	(45,155)	(149,688)	-	-	-	-	-	(3)	(9)	(9)	(11,442)	(62,396)	(51,814)	(157,021)
	(38,633)	(8,419)	(136,690)	(93,577)	(13,873)	(105,325)	(65,974)	(238,266)	-	(1,429)	-	(3,462)	-	(136)	-	(386)	(52,506)	(115,309)	(202,664)	(335,691)
<b>Segment results</b>	(113,875)	(182,588)	(185,651)	(565,134)	(41,113)	278,820	(63,735)	450,692	(4,775)	12,214	(18,163)	19,288	(1,230)	(2,911)	(3,875)	(7,963)	(160,994)	64,701	(262,128)	(198,370)



## 15. SEGMENTS INFORMATION

	Sub-total brought forward												Total	
	Textile			Farms			Others			Total				
	Quarter ended 30 June 2016	Nine months ended 30 June 2016	30 June 2015	Quarter ended 30 June 2016	Nine months ended 30 June 2016	30 June 2015	Quarter ended 30 June 2016	Nine months ended 30 June 2016	30 June 2015	Quarter ended 30 June 2016	Nine months ended 30 June 2016	30 June 2015		
<b>15.1 Sales</b>														
External	409,868	88,814	3,096,884	2,827,225	5,361,355	5,361,355	170,886	226,352	533,223	821,708	1,056,72	621,657		
- Local	103,301	1,461,283	513,425	2,671,451	-	-	40,796	-	-	-	-	-		
- Export	513,169	1,550,097	3,610,309	5,498,676	5,361,355	5,361,355	170,886	267,148	533,223	927,380	1,056,72	621,657		
Intersegment	513,169	1,550,097	3,610,309	5,498,676	5,361,355	5,361,355	170,886	267,148	533,223	927,380	1,056,72	621,657		
<b>15.2 Segment expenses</b>														
<b>Cost of sales</b>														
Net of intersegment costs	621,657	1,370,087	3,669,773	5,361,355	5,361,355	5,361,355	170,886	226,352	533,223	821,708	1,056,72	621,657		
Intersegment cost	-	-	-	-	-	-	-	-	-	-	-	-		
Gross profit / (loss)	(108,488)	180,010	(59,464)	137,321	(5,281)	(21,506)	(9,938)	(191,69)	(938)	(191,69)	(938)	(108,488)		
Administrative expenses	(41,364)	(52,913)	(150,850)	(178,670)	(5,327)	(6,252)	(19,970)	(19,970)	(19,970)	(19,970)	(19,970)	(41,364)		
Distribution and selling cost	(11,142)	(62,396)	(51,814)	(157,021)	(736)	(374)	(1,222)	(1,222)	(1,222)	(1,222)	(1,222)	(11,142)		
Segment results	(52,506)	(115,309)	(202,664)	(335,691)	(6,063)	(6,626)	(17,877)	(21,192)	(252)	(615)	(1,098)	(52,506)		
Other operating expenses	(160,994)	64,701	(262,128)	(198,370)	(11,344)	(28,132)	(27,815)	(40,361)	7,724	(2,562)	1,177	(160,994)		
Finance costs														
Other operating income														
Share of income of associates														
Taxation														
Profit / (loss) for the period	(59,730)	147,117	(273,968)	(147,117)	(59,730)	(147,117)	(273,968)	(147,117)	(59,730)	147,117	(273,968)	(59,730)		

(RUPEES IN THOUSAND)



	Segment assets		Segment liabilities	
	30 June 2016	30 September 2015	30 June 2016	30 September 2015
	<b>(Rupees in thousand)</b>			
<b>15.3 Segment assets and liabilities</b>				
Sugar	5,747,377	7,417,190	3,721,878	5,917,096
Bio Fuel	1,989,477	2,826,749	1,403,272	2,259,940
Bio Power	221,053	277,934	21,865	32,661
Building materials	-	55,548	20,334	22,239
Textile	331,579	397,019	154,390	158,434
Farms	663,159	700,700	65,768	77,323
Others	-	22,212	435	8,971
Unallocated	2,100,003	1,631,239	541,748	360,674
	<b>11,052,648</b>	<b>13,328,591</b>	<b>5,929,689</b>	<b>8,837,338</b>

	Note	30 June 2016	30 June 2015
		<b>(Rupees in thousand)</b>	
<b>16. OTHER INCOME</b>			
<b><i>Income from financial assets</i></b>			
Dividend income		8,976	-
Profit on sale of 'Available for Sale' investments		55,900	255,909
Profit on sale of right allotment letters		31,682	-
Return on bank deposits		13,977	154
		<b>110,535</b>	<b>256,063</b>
<b><i>Income from non-financial assets</i></b>			
Scrap sales		9,805	9,934
Agricultural income		-	709
Profit on sale of:			
- Property, plant and equipment		36,335	930
- Store items		-	4
Liabilities written back		225,726	26,308
Foreign exchange gain		-	7,168
Rental income		8,319	5,459
Export rebate		8,580	18,890
Present value adjustment on initial recognition of interest free loan	8.1.1	21,170	-
Others		9,718	3,961
		<b>319,653</b>	<b>73,363</b>
		<b>430,188</b>	<b>329,426</b>

		Quarter ended		Nine months ended	
		30 June 2016	30 June 2015	30 June 2016	30 June 2015
<b>17. EARNINGS PER SHARE</b>					
<b>17.1 Basic earnings / (loss) per share</b>					
Profit / (loss) for the period	<b>Rupees</b>	(59,729,000)	273,968,000	147,117,000	173,098,000
Weighted average number of ordinary shares in issue during the period	<b>Number</b>	110,000,000	74,515,875	94,933,201	74,515,875
Earnings / (loss) per share - basic	<b>Rupees</b>	(0.54)	3.68	1.55	2.32

#### 17.2 Diluted earnings / (loss) per share

Diluted earnings / (loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The company had a commitment to convert 1,000 preference shares into 167 ordinary shares of Rs. 10 each. However, during the period, the preference shares have been redeemed in cash. For the purposes of computing the diluted EPS for the current period, no dilution effect for these convertible preference have been taken.

		Quarter ended		Nine months ended	
		30 June 2016	30 June 2015	30 June 2016	30 June 2015
Profit / (loss) for the period	<b>Rupees</b>	(59,729,000)	273,968,000	147,117,000	173,098,000
Profit / (loss) used to determine diluted earnings / (loss) per shares	<b>Rupees</b>	(59,729,000)	273,968,000	147,117,000	173,098,000
Weighted average number of ordinary shares in issue during the period	<b>Number</b>	110,000,000	74,515,875	94,933,201	74,515,875
Assumed conversion of convertible preference shares into ordinary shares	<b>Number</b>	-	5,774,108	-	5,774,108
Weighted average number of ordinary shares for diluted earnings per share	<b>Number</b>	110,000,000	80,289,983	94,933,201	80,289,983
Earnings / (loss) per share - diluted	<b>Rupees</b>	(0.54)	3.41	1.55	2.16

The effect of conversion of preference shares into ordinary shares is anti-dilutive for the prior period, accordingly the diluted EPS is restricted to the basic EPS.

## 18. FINANCIAL INSTRUMENTS - FAIR VALUES

The additional disclosures due to the adoption of IFRS-13 Fair value measurement are as follows:

	Note	Carrying Amount			Fair Value		
		Trade and other receivables	Rupees Cash and cash equivalents	Other financial liabilities	Level 1	Level 2	Level 3
<b>On-Balance sheet financial instruments</b>							
<b>30 June 2016- (Un-audited)</b>							
<b>Financial assets measured at fair value</b>							
Available for sale investments	18.1	90,778,000	-	-	90,778,000	-	-
Biological assets	18.1	12,619,000	-	-	12,619,000	-	12,619,000
		103,397,000	-	-	103,397,000	-	12,619,000
<b>Financial assets not measured at fair value</b>							
Advances, deposits and other receivables	18.1	321,112,000	-	-	-	-	-
Long term deposits	18.1	36,945,000	-	-	-	-	-
Trade debts - unsecured, considered good	18.1	41,451,000	-	-	-	-	-
Cash and bank balances	18.1	-	19,054,000	-	-	-	-
		399,508,000	19,054,000	-	418,562,000	-	-
<b>Financial liabilities measured at fair value</b>							
		-	-	-	-	-	-
		-	-	-	-	-	-
<b>Financial liabilities not measured at fair value</b>							
Trade and other payables	18.1	-	-	1,858,072,066	-	-	-
Short term borrowing		-	-	1,229,169,000	-	1,229,169,000	-
Accrued mark up	18.1	-	-	217,114,000	-	-	-
		-	-	3,304,355,066	-	1,229,169,000	-

**18.1** The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of fair value.





	<b>Nine months ended</b>	
	<b>30 June 2016 (Rupees in thousand)</b>	30 June 2015
<b>19. CASH GENERATED FROM OPERATING ACTIVITIES</b>		
Profit before taxation	168,052	274,999
<i>Adjustments for:</i>		
Depreciation on operating assets	436,134	473,539
Amortization of intangible assets	69	68
Gain on sale of property, plant and equipment	(36,335)	(936)
Dividend income	(8,976)	-
Share of profit from associates	(218,113)	(296,986)
Fair value loss on livestock	1,168	856
Profit on sale of investment	(55,900)	(255,909)
Profit on sale of right allotment letters	(31,682)	-
Finance cost	145,896	196,266
Present value adjustment on initial recognition of interest free loan	(21,170)	-
Liabilities no longer payable written back	(225,726)	(26,214)
	(14,635)	90,684
Profit before working capital changes	153,417	365,683
<i>(Increase)/ decrease in current assets:</i>		
Stock-in-trade	439,469	(52,453)
Trade debts	(10,887)	(313,006)
Stores and spares	4,386	(2,697)
Other receivables	7,613	127,238
Biological assets	15,812	14,675
Increase in current liabilities:		
Trade and other payables	(741,441)	871,499
	(285,048)	645,256
Cash (used in) / generated from operations	(131,631)	1,010,939



## 20. TRANSACTIONS WITH RELATED PARTIES

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

	Relationship with the company	Nature of transactions	Nine months ended	
			30 June 2016 (Rupees in thousand)	30 June 2015
i.	Associated/Related undertakings			
	Crescent Steel & Allied Products Limited (CSAPL)	Purchase of goods	19,650	39,537
		Common expenses	2,559	6,074
		Dividend income	8,976	4,488
		Advance received for purchase of material	70,000	-
		Sale of goods	-	53
	Shakarganj Food Products Limited	Sale of goods	149,108	10,941
		Salary expense and other Common expenses	3,442	1,239
	Shakarganj Energy (Private) Limited associated undertaking of CSAPL	Sale of bagasse and water	160,115	241,018
		Purchase of electricity and steam	164,359	248,734
		Advance received for purchase of material	-	40,000
		Rent paid against use of boiler	5,000	-
		Salary expenses	3,724	-
	Crescent Hadeed (Private) Limited associated undertaking of CSAPL	Rendering of services	2,015	1,883
		Sale of material	1,643	-
	Crescent Cotton Mills Limited	Purchase of Yarn	4,353	-
	Premier Insurance Limited	Insurance expenses	4,511	4,043
ii.	Post employment benefit plans	Expense charged in respect of retirement benefit plans	14,730	9,430
		Transactions with gratuity and pension fund account		
		- Funds received	489,346	651,951
		- Funds repaid	489,346	651,951
		- Markup expense	24,740	21,561
iii.	Key Management Personnel	Salaries and other employee benefits	69,683	74,882
		Loan received from director	200,000	-

## 21. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on 19 July 2016 by the Board of Directors of the Company.

## 22. GENERAL

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison and better presentation as per reporting framework.

  
Chief Executive

  
Chairman





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