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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

Mazhar Karim	Chairman
Ahsan M. Saleem	Chief Executive
Gul Nawaz	Non-Executive Director
Khalid Bashir	Non-Executive Director
Muhammad Anwar	Non-Executive Director
Muhammad Arshad	Non-Executive Director
Muhammad Asif	Non-Executive Director

AUDIT COMMITTEE

<i>Chairman</i>	Muhammad Anwar Khalid Bashir Muhammad Asif
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CHIEF FINANCIAL OFFICER	Mehboob Ali Qureshi
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COMPANY SECRETARY	Tariq Aleem
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MANAGEMENT COMMITTEES

Business Strategy Committee

Ahsan M. Saleem
Anjum M. Saleem
Dr. Wasim Azhar
Muhammad Asghar Qureshi
Pervaiz Akhter
Manzoor Hussain Malik
Shahid Hamid Mir
Ch. Shah Muhammad

Executive Committee

Ahsan M. Saleem
Anjum M. Saleem
Muhammad Asghar Qureshi

System & Technology Committee

Muhammad Awais Qureshi
Ashraf Khan Afiridi
Ch. Shah Muhammad
Mehboob Ali Qureshi
Saad Akhtar Jaffery

Investment Committee

Ahsan M. Saleem
Anjum M. Saleem

Human Resource Committee

Muhammad Asghar Qureshi
Muhammad Awais Qureshi
Ashraf Khan Afiridi
Ch. Shah Muhammad
Mehboob Ali Qureshi
Hameedullah Awan

SHAREHOLDERS' INFORMATION

Stock Exchange Listing

Shakarganj Mills Limited is a listed company and its shares are traded on all the three stock exchanges of Pakistan. Daily quotes on the company's stock can be obtained from leading newspapers. Shakarganj is listed under 'Sugar and Allied'

Public Information

Financial analysts, Stock brokers, interested investors and financial media desiring information about "Shakarganj" should contact Tariq Aleem at Company's registered Office, Lahore. Tel: +92-42-5783830 & 33 +92-42-5783827-29

Email: tariqaleem@shakarganj.com.pk

Shareholder Information

Inquiries concerning lost stock certificates, dividend payment, change of address, verification of transfer deeds and share transfers should be directed to Shareholder Services Department at the Registered Office at Lahore.

Tel: +92-42-5783830 & 33 +92-42-5783827-29

Fax: +92-42-5875916

Email: tariqaleem@shakarganj.com.pk

Products

- Ethanol
- Particle Board
- Sugar
- Yarn

Legal Advisor

Hassan & Hassan Advocates, Lahore.

Auditors

A. F. Ferguson & Co.
Chartered Accountants

Bankers

- ABN Amro Bank
- Allied Bank Limited
- Askari Commercial Bank Ltd.
- Bank Alfah Ltd.
- Crescent Commercial Bank Ltd.
- Faysal Bank Ltd.
- Meezan Bank Ltd.
- MCB Bank Ltd.

- National Bank of Pakistan Ltd.
- The Bank of Punjab
- United Bank Ltd.
- Standard Chartered Bank (Pakistan) Ltd.
- Saudi Pak Commercial Bank Ltd.

Works

Principal Facility
Management House, Toba Road
Jhang, Pakistan.

Tel: +92-47-7629337-41

Tlx: 43471CJP PK Fax: +92-47-7620272

E-mail: ssugar@shakarganj.com.pk

Satellite Facility

63 K.M. Jhang Sargodha Road, Bhoone.

Tel: +92-47-7223016, 223075

Fax: +92-47-7223017

Website

www.shakarganj.com.pk

Registered Office

6th Floor, 10-B Block E 2, Gulberg III, Lahore.
Pakistan

Tel: +92-42-5783827-29

Fax: +92-42-5875916

Principal Office

10th Floor, 10-B Block E 2,
Gulberg III, Lahore. Pakistan

Tel: +92-42-5783801-2

Fax: +92-42-5870357

Karachi Office

Sidco Avenue Centre, 264 R.A. Lines, Karachi.

Tel: +92-21-5688149

Faisalabad Office

Nishatabad, New Lahore Road
Faisalabad

Tel: +92-41-753037

CHIEF EXECUTIVE REVIEW

Dear Shareholder

I am pleased to present the un-audited accounts of 3rd quarter ended on 30th June 2008. The performance of various divisions is given below:

Sugar Division

The availability of sugar cane in the country was relatively better than last crop. The total of 52,732,710 tons of cane was crushed as compared to 40,456,177 tons in the last year. A production of 4.699 Million tons was recorded in country as compared to 3.518 million tons last year.

Your company crushed 2.254 million tons of sugar cane as compared 1.588 million tons in last year at both of the units Jhang & Bhone.

A total of 177,092 tons of Sugar was bagged during the current crushing campaign compared to 128,170 tons of sugar last crop. The spell of frost this winter continued for a long time, during last fortnight of January 2008. The severe frost between 20th of January to 31st January, on daily basis, played havoc with the standing sugar cane plants. The crops practically dried up in the fields. The sugar recovery of 7.85% was achieved as compared 8.02% last year.

Sugar division recorded sale at Rs. 3,764.669 million as compared to Rs. 3,178.723 million in the corresponding period last year. Gross profit margin got reduced to 1.46% as compared to 6.27% during last year. The sugar prices remained depressed throughout this period. Operating expenses were Rs. 105.735 millions up to 3rd quarter of the year as compared to Rs. 116.851 millions in the corresponding period of last year.

The whole operation resulted in operating loss of Rs. 50.653 million up to 3rd quarter of the year as compared to operating profit of Rs. 82.578 million in the corresponding period of last year.

Ethanol and Alternate Energy Business

The performance of Ethanol and Alternate Energy Business indicated improvement as a result of better production and improved sale price in the market. The salient feature of this division is almost 2.5 times enhanced production as compared to corresponding period last year, 56,899,774 liters as compared to 22,783,706 liters. All the three products Ethyl Alcohol, Extra Neutral Alcohol and Power Alcohol are produced both for domestic, as well as, for the international markets.

Sale of 49,244,354 liters was recorded as compared to 19,249,087 liters during corresponding period last year. Operating expenses touched the figure of Rs. 112.701 million up to 3rd quarter of 2008 fiscal as compared to Rs. 61.777 million in the

corresponding period last year. The operating profit increased from Rs.57.525 million in the corresponding period in the last year to Rs. 350.450 million up to 3rd quarter of the current year.

Building Material

An operation of 186 days during current period improved the production of Board plant. The plant was operated only 57 day during the corresponding period of last year. The production of 6,567 cubic meters of particleboard was possible up to the 3rd quarter of the year as compared to 1,844 cubic meters up to the 3rd quarter of the year 2007.

Due to activities in building industry the particleboard market remained stable. The sales price of Rs. 9,462 per cubic meter was achieved during the current period as compared to Rs 9,125 per cubic meter in the corresponding period of the year 2007.

Sales revenue of this division stood at Rs. 40.384 million as compared to Rs 8.700 million in the corresponding period of last year. Gross profit margin increased to 35.33% up to the 3rd quarter as compared to gross loss margin of 37.82% in the corresponding period. This increased was due to better performance and higher sales rates available for the products.

Textile Division

Textile sector, in general, is facing hardships on account of high input cost and unassured supply of electric power to the industry. The input cost has gone up further due to recent hike in cost of electricity and highest ever raw cotton prices. The supply of electricity, however, partially improved due to government's effort to maintain uninterrupted electricity supply to textile industry.

Sales Revenue of the textile division stood at Rs. 647.871 million for the period under review compared to Rs. 559.976 million in the corresponding period of 2007. The gross profit margin decreased from 3.44% in the corresponding period to 0.07% in the current year.

Your management made in-house arrangement to provide uninterrupted supply of electrical power to textile division. It resulted in improving the overall production of the textile division. The performance remained satisfactory in the three quarters of 2008 under review.

The increase in operating expenses was Rs. 26.772 million for the current period compared to Rs. 22.321 million in the corresponding period. This increase in operating expenses was due to increase in production and inflation.

Under above circumstances faced by the textile sector the operating loss increased to Rs. 26.301 million from Rs. 3.071 million in the corresponding period of the last year.

Power Division

The Power Division operated on clean Biogas, started electricity generation in April 2008. 3.5 MW/H generation was started on initial stage. At the end of June 2008 the generation was increased to 5.6 MW/H.

The sales revenue of the division till 2008 amounted to Rs. 37.583 million. The total Electricity generated is sold to FESCO under an agreement. Power Division's gross profit margin remained 85.71%.

Investments

During the first nine months of the fiscal 2008, the stock market remained volatile. KSE-100 index higher of 15,676.34 and a low of 11,162.17 closed at 12,289.03. Careful management of the company's portfolio resulted in a capital gain of Rs.5.374 million. Dividend income was Rs. 8.004 million.

Total investment appearing in long term and short term classification aggregated to Rs.993.06 million and Rs. 1,126.83 million on 30th June 2008 as compared to Rs. 734.968 million and Rs. 1,071.929 million respectively, as at 30th September 2007.

Overall Results

The performance of company is showing an improvement as the net loss is reduced to Rs. 362.092 million as compared to Rs. 440.771 million in the 1st half of the financial year.

Future Look up

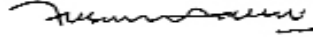
Considering all the business segments collectively the productivity of your company specially Sugar and Ethanol Divisions have substantially improved as compared to corresponding period 2007. We are confident to continue in the same direction till the end of the year.

The sugar segment may face some constraints in the coming season. The sowing appears to be less in acreage as compared to last year. The support price of sugarcane is expected to increase. At present sugar price in the market is showing an upward trend. It is expected that the same will be continued till close of financial year and thereafter as well. This will help in reducing the loss posted in earlier quarters.

Alternate Energy and Ethanol Divisions performed well during the 1st three quarters of the financial year. Higher profit margins were seen in these segments due to higher production and improved sale price. These segments are expected to contribute more revenue for the company. In the 3rd quarter of financial year Shakarganj Mills Ltd. has successfully put on stream its 5.4 MW/H power generation facility out of 7.5 MW/H, which is under commissioning. This is a unique addition and first of its kind.

Partial recovery in the 3rd quarter is expected to continue in the 4th quarter as well. We look forward to see better results in future.

On behalf of the Board



Ahsan M. Saleem
Chief Executive Officer

July 29, 2008

**CONDENSED INTERIM BALANCE SHEET
AS AT JUNE 30, 2008 (UN-AUDITED)**

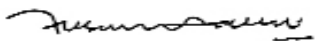
	Note	June 30 2008 (Rupees in thousand)	September 30 2007
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
80,000,000 (September 30, 2007: 80,000,000) ordinary shares of Rs 10 each		800,000	800,000
50,000,000 (September 30, 2007: 50,000,000) preference shares of Rs 10 each		500,000	500,000
		1,300,000	1,300,000
Issued, subscribed and paid up capital 69,523,797 (September 30, 2007: 57,936,498) ordinary shares of Rs 10 each		695,238	579,365
Reserves		1,261,961	1,301,388
Unappropriated profit		284,375	704,393
		2,241,574	2,585,146
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		1,840,215	1,840,226
NON-CURRENT LIABILITIES			
Long term finances	5	2,784,530	1,782,304
Long term advances		-	736
Liabilities against assets subject to finance lease		375,856	148,195
Retirement benefits		8,385	5,158
Deferred income		2,318	3,585
		3,171,089	1,939,978
CURRENT LIABILITIES			
Current portion of long term liabilities		656,616	559,678
Short term borrowings - secured		3,706,388	3,344,249
Trade and other payables		811,876	447,383
Accrued finance cost		263,438	193,853
		5,438,318	4,545,163
CONTINGENCIES AND COMMITMENTS	6	12,691,196	10,910,513

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

	Note	June 30 2008	September 30 2007
(Rupees in thousand)			
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	7	6,078,769	5,982,153
Intangible assets		1,105	1,360
Assets subject to finance lease		252,645	222,720
Capital work in progress		1,225,329	793,584
Biological assets		4,231	29,682
Investments - related parties	8	993,063	734,968
Long term advances, loans, deposits and prepayments		300,444	109,638
		8,855,586	7,874,105

CURRENT ASSETS

Biological assets		74,868	89,713
Stores, spares and loose tools		195,626	91,218
Stock-in-trade		1,826,109	1,069,930
Trade debts		236,422	71,073
Investments	9	1,126,829	1,071,929
Loans, advances, deposits, prepayments and other receivables		251,662	149,304
Cash and bank balances		124,094	493,241
		3,835,610	3,036,408
		12,691,196	10,910,513



Chief Executive




Chairman

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE QUARTER AND NINE MONTHS ENDED JUNE 30, 2008 (UN-AUDITED)**

	Note	Quarter ended		Nine months ended	
		June 30	June 30	June 30	June 30
		2008	2007	2008	2007
(Rupees in thousand)					
Sales	10.1	2,398,783	1,131,760	5,221,362	4,004,747
Cost of sales	10.2	(1,990,937)	(1,095,371)	(4,621,221)	(3,670,056)
Gross (loss) / profit		407,846	36,389	600,141	334,691
Administrative expenses		(29,163)	(48,179)	(136,799)	(140,078)
Distribution and selling costs		(41,879)	(20,413)	(111,690)	(61,191)
Other operating expenses		(55,323)	(76,206)	(161,599)	(143,503)
Other operating income		13,966	1,577,012	59,532	2,045,516
(Loss) / profit from operations		295,447	1,468,603	249,585	2,035,435
Finance cost		(231,468)	(226,821)	(611,677)	(689,741)
(Loss) / profit before taxation		63,979	1,241,782	(362,092)	1,345,694
Taxation		14,700	(5,802)	-	(33,952)
(Loss) / profit after taxation		78,679	1,235,980	(362,092)	1,311,742
Earnings per share - basic	11 Rupees	1.13	21.33	(5.21)	22.64

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.



Chief Executive



Chairman

**CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE NINE MONTHS ENDED JUNE 30, 2008 (UN-AUDITED)**

		Nine months ended	
		June 30	June 30
Note		2008	2007
		(Rupees in thousand)	
Cash flows from operating activities			
	Cash (used in) / generated from operations	12 (175,136)	889,000
	Finance cost paid	(542,092)	(747,074)
	Taxes paid	(5,769)	(9,263)
	Retirement benefits paid	(3,229)	(8,735)
	Net (increase) / decrease in long term advances, loans, deposits and prepayments	(190,806)	39,515
	Net cash (used in) / generated from operating activities	(917,032)	163,443
Cash flows from investing activities			
	Fixed capital expenditure	(501,574)	(120,209)
	Net decrease in investments	(248,770)	2,268,862
	Dividend received	11,365	34,423
	Sale proceeds from sale of property, plant and equipment	6,415	15,091
	Net cash (used in) / generated from investing activities	(732,564)	2,198,167
Cash flows from financing activities			
	Proceeds from long term finances	1,403,000	235,000
	Repayment of long term finances	(335,091)	(343,339)
	Sales proceeds from sale and lease back transactions	-	7,679
	Net increase / (decrease) in short term borrowings - secured	362,139	(1,231,912)
	Finance lease liabilities - net	(91,663)	(52,232)
	Dividend paid	(57,936)	-
	Net cash generated from / (used in) financing activities	1,280,449	(1,384,804)
	Net (decrease) / increase in cash and cash equivalents	(369,147)	976,806
	Cash and cash equivalents at the beginning of the period	493,241	190,335
	Cash and cash equivalents at the end of the period	124,094	1,167,141

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.


Chief Executive


Chairman

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED JUNE 30, 2008 (UN-AUDITED)

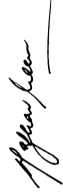
(Rupees in thousand)

	Reserves										Total
	Share Capital	Capital Reserve			Difference of capital under scheme of arrangement of merger	General	Revenue Reserve		Sub - Total	Un-Appropriated Profit	
		Reserve for bonus shares	Share premium	Fair Value reserve			Dividend Equalization	Equity Investment Market value equalization			
Balance as on September 30, 2006	579,365	-	243,282	1,662,617	155,930	526,479	22,700	83,000	632,179	2,694,008	3,356,562
Fair value gain during the period	-	-	-	(372,051)	-	-	-	-	-	(372,051)	-
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	-	-	-	-	-	-	-	-	-	13
Profit for the period	-	-	-	-	-	-	-	-	-	-	75,761
Balance as on March 31, 2007	579,365	-	243,282	1,290,566	155,930	526,479	22,700	83,000	632,179	2,321,957	3,060,285
Balance as on September 30, 2007	579,365	-	243,282	289,997	155,930	526,479	22,700	83,000	632,179	1,301,388	2,585,146
Fair value gain during the period	-	-	-	76,454	-	-	-	-	-	76,454	-
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	-	-	-	-	-	-	-	-	-	11
Transfer to profit and loss account on disposal of investment	-	-	-	1,434	-	-	-	-	-	1,434	-
Permanent diminution adjusted on derecognition	-	-	-	(1,443)	-	-	-	-	-	(1,443)	-
Transfers from general reserve for issue of bonus shares	-	115,873	-	-	-	(115,873)	-	-	(115,873)	-	-
Final dividend for the year ended September 30, 2007 - Rs 1 per share	-	-	-	-	-	-	-	-	-	-	(57,936)
Bonus shares issued during the period	115,873	(115,873)	-	-	-	-	-	-	-	(115,873)	(57,936)
Loss for the period	-	-	-	-	-	-	-	-	-	-	(362,092)
Balance as on June 30, 2008	695,238	-	243,282	346,442	155,930	410,606	22,700	83,000	516,306	1,261,961	2,241,574

The annexed notes 1 to 16 form an integral part of these financial statements.



Chief Executive



Chairman

NOTES TO AND FORMING PART OF THE FINANCIAL INFORMATION FOR THE QUARTER AND NINE MONTHS ENDED JUNE 30, 2008 (UN-AUDITED)

1. The company and its activities

Shakarganj Mills Limited (the company) was incorporated in Pakistan on September 20, 1967 under the Companies Act, 1913 (now Companies Ordinance, 1984). Shares of the company are quoted on the stock exchanges in Pakistan. The principal activity of the company is to manufacture, purchase and sale of sugar, ethanol, building materials, yarn, electricity and engineering items.

2. Statement of compliance

This condensed interim financial information is un-audited and is being submitted to the members as required by section 245 of the Companies Ordinance, 1984. The condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 'Interim Financial Reporting'.

3. Significant accounting policies

The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the company for the year ended September 30, 2007.

4. The provision for taxation has been made on an estimated basis.

	June 30 2008	September 30 2007
	(Rupees in thousand)	
5. Long term finances		
Opening balance	2,245,822	1,966,387
Add: Disbursements during the period	1,403,000	566,820
	3,648,822	2,533,207
Less: Repayments during the period	(335,091)	(287,385)
	3,313,731	2,245,822
Less: Current portion shown under current liabilities	(529,201)	(463,518)
	2,784,530	1,782,304

6. Contingencies & Commitments

6.1 Contingencies:

The company has issued following guarantees:

- (i) Bank guarantee of Rs 86.50 million (September 2007: Rs 86.50 million) in favour of Sui Northern Gas Pipelines Limited to indemnify against default in gas bills.
- (ii) Bank guarantee in favour of Government of Pakistan through Collector of Sales Tax, LTU against Sales tax refund claim amounting to Rs 9.552 million (September 2007: Rs 1.352) million.
- (iii) Cross corporate guarantee in favour of Allied Bank Limited to secure long term finance facility availed by the company's subsidiary, Shakarganj Food Products Limited of Rs 467 million (September 2007: Rs 467 million).

6.2 Commitments

The company has the following commitments in respect of:

- (i) Letters of credit other than capital expenditure Rs 100.441 million (September 2007: Rs 2.867 million).
- (ii) Contracts for capital expenditure amounting to Rs 108.849 million (September 2007: Rs 387.927 million).
- (iii) Contracts for acquisition of intangible (computer software) amounting to Rs 20 million (September 2007: Rs 20 million).

	Note	June 30 2008 (Rupees in thousand)	September 30 2007
7. Property, plant and equipment			
Opening book value		5,982,153	4,168,831
Add: Additions during the period	7.1	363,801	365,944
Add: Revaluations during the period		-	1,837,094
		6,345,954	6,371,869
Less: Disposals during the period (at book value)		2,832	10,062
Depreciation charged during the period		264,353	362,753
Impairment charged during the period		-	16,901
		267,185	389,716
Closing book value		6,078,769	5,982,153
7.1 Addition during the period			
Land		18,068	40,284
Building on freehold land		12,828	136,455
Plant and machinery		310,650	130,909
Tools and equipment		1,294	34,449
Laboratory equipment		619	311
Water, electric and weighbridge equipments		4,564	4,803
Furniture and fixtures		2,254	1,621
Office equipment		1,438	1,476
Vehicles		11,992	15,259
Library books		94	377
		363,801	365,944
8. Long term investment - related parties			
Available for sale	8.1	993,062	193,034
Advance against purchase of shares in subsidiary company Shakarganj Food Products Limited		-	541,934
		993,062	734,968

	Note	June 30 2008 (Rupees in thousand)	September 30 2007
8.1 Available for sale			
At cost:			
Subsidiary company		575,546	100
Associated companies		313,287	69,529
Others		2,200	2,200
		891,033	71,829
Add: Cumulative fair value gain		107,230	126,405
Less: Cumulative impairment losses recognized		(5,200)	(5,200)
Fair value gain		102,030	121,205
		993,063	193,034

8.2 The company during the period acquired 3.040 million and 6.750 million shares in Safeway Fund Limited (SFL) and Asian Capital Management Limited (ACML) for Rs 125.000 million and Rs 118.800 million respectively. Consequent to this acquisition the company holds 73.69% and 75.00% of equity of SFL and ACML respectively. As SML has acquired control over SFL and ACML by virtue of this investment, consequently in the company's consolidated financial statements SFL and ACML are being consolidated as subsidiaries of the company.

9. Short term investments

Available for sale	9.1	1,096,168	1,000,970
Held for trading		30,661	70,959
		1,126,829	1,071,929

9.1 Available for sale

At cost:			
Subsidiary company		290,792	290,792
Associated companies		334,813	334,814
Others		265,540	267,406
		891,145	893,012
Add: Cumulative fair value gain		239,214	143,592
Less: Cumulative impairment losses recognized	9.2	(34,191)	(35,634)
Fair value gain		205,023	107,958
		1,096,168	1,000,970

9.2 Impairment losses

Opening balance		35,634	54,171
Add: transferred from long term investments		-	34,191
Add: impairment loss recognized during the period		-	52,892
Less: impairment loss adjusted upon derecognition of investments		(1,443)	(105,620)
Closing balance		34,191	35,634

11. Earnings per share

There is no dilution of the basic earnings per share of the company as the effect of company's commitment to convert 1,000 preference shares into 167 ordinary shares of Rs 10 each is anti-dilutive.

Nine months ended	
June 30 2008	June 30 2007
(Rupees in thousand)	

12. Cash generated from operations

Profit before taxation	(362,092)	1,345,694
Adjustments for:		
Depreciation in / amortization on:		
- Property, plant and equipment	264,353	274,737
- Assets subject to finance lease	24,723	7,554
- Intangible assets	255	-
- Deferred income	(1,053)	(1,808)
Gain on sale of property, plant and equipment	(3,583)	(3,164)
Impairment losses of investment	2,792	(19,835)
Gain on sale of investments	(5,375)	(1,981,294)
Unrealized loss on investments held for trading	19,039	(16,165)
Retirement benefits accrued	7,802	9,372
Dividend income	(8,005)	(33,802)
Fair value loss on recognition of biological assets	92,872	102,937
Finance cost	611,677	689,741
	1,005,497	(971,727)
Profit before working capital changes	643,405	373,967
Effect on cash flow due to working capital changes:		
(Increase) in stores and spares	(104,408)	(12,771)
(Increase) in stock in trade	(756,179)	(158,954)
(Increase) in trade debts	(165,349)	34,322
(Increase) / decrease in biological assets	(52,576)	109,659
(Increase) / decrease in loans, advances, deposits, prepayments and other receivables	(99,949)	73,492
Increase in trade and other payables	359,920	469,285
	(818,541)	515,033
	(175,136)	889,000

Nine months ended	
June 30	June 30
2008	2007
(Rupees in thousand)	

13. Transactions with related parties

Subscription to right issue made by subsidiary company	575,446	-
Interest bearing advances extended to subsidiary company	178,171	-
Mark up charged to subsidiary company	10,623	-
Allocation of expenses from subsidiary company	195	-
Dividend received	5,128	4,730
Purchase of goods and services	80,606	59,857
Sale of goods	3,732	38,445
Share of common expenses	1,206	544
Expenses incurred on behalf of the company	2,524	619
Key management personnel compensation	17,355	-
Expense in respect of retirement benefit plans	5,201	-

14. Date of authorisation for issue


This condensed interim financial information was authorised for issue on July 29, 2008 by the Board of Directors of the company.

15. Subsequent events

Subsequent to March 31, 2008, a consortium of investors comprising KASB Capital Limited (KASB) and AKD Securities Limited (AKD), through an agreement dated April 12, 2008 with the company, Crescent Steel and Allied Products Limited (CSAPL) and Shakarganj Foods Product Limited (SFPL), have agreed to subscribe to the share capital of SFPL, a subsidiary of the company, to the extent of Rs 777 million. Consequent to this, the company's shareholding in SFPL will reduce from 90% to approximately 44%.

16. Corresponding figures

Previous period's figures have been rearranged, wherever necessary, for the purposes of comparison. However, no significant re-arrangements have been made.



Chief Executive



Chairman

**CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2008**

**CONSOLIDATED INTERIM BALANCE SHEET
AS AT JUNE 30, 2008 (UN-AUDITED)**


	Note	June 30 2008 (Rupees in thousand)	September 30 2007
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
80,000,000 (September 30, 2007: 80,000,000) ordinary shares of Rs 10 each		800,000	800,000
50,000,000 (September 30, 2007: 50,000,000) preference shares of Rs 10 each		500,000	500,000
		1,300,000	1,300,000
Issued, subscribed and paid up capital 69,523,797 (September 30, 2007: 57,936,498) ordinary shares of Rs 10 each		695,238	579,365
Share deposit money		449,500	60,000
Reserves		1,001,100	1,017,544
Unappropriated profit		85,609	730,900
		2,231,447	2,387,809
MINORITY INTEREST		43,031	-
		2,274,478	2,387,809
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		1,840,215	1,840,226
NON-CURRENT LIABILITIES			
Long term finances	5	3,011,530	2,053,533
Long term advances		-	736
Liabilities against assets subject to finance lease		380,568	150,636
Retirement benefits		17,671	9,770
Deferred income		2,318	3,585
		9,500	9,500
		3,421,587	2,227,760
CURRENT LIABILITIES			
Current portion of long term liabilities		744,692	682,251
Short term borrowings - secured		3,706,388	3,511,765
Trade and other payables		1,186,368	600,218
Accrued finance cost		277,153	218,875
		5,914,601	5,013,109
CONTINGENCIES AND COMMITMENTS	6	13,450,881	11,468,904

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

	Note	June 30 2008	September 30 2007
(Rupees in thousand)			
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	7	7,067,055	6,793,062
Intangible assets		189,896	85,428
Assets subject to finance lease		258,815	225,198
Capital work in progress		1,245,166	848,134
Biological assets		4,231	29,682
Investments - related parties	8	315,498	193,273
Long term advances, loans, deposits and prepayments		139,108	114,015
		9,219,769	8,288,792

CURRENT ASSETS

Biological assets		74,868	89,713
Stores, spares and loose tools		223,442	106,558
Stock-in-trade		1,943,566	1,125,704
Trade debts		254,956	85,107
Investments	9	1,165,780	1,071,929
Loans, advances, deposits, prepayments and other receivables		338,167	190,997
Cash and bank balances		230,333	510,104
		4,231,112	3,180,112
		13,450,881	11,468,904


Chief Executive


Chairman

**CONSOLIDATED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE QUARTER AND NINE MONTHS ENDED JUNE 30, 2008 (UN-AUDITED)**

	Note	Quarter ended		Nine months ended	
		June 30	June 30	June 30	June 30
		2008	2007	2008	2007
		(Rupees in thousand)			
Sales	10.1	2,705,419	1,367,166	6,091,180	4,780,397
Cost of sales	10.2	(2,287,329)	(1,331,684)	(5,466,760)	(4,405,992)
Gross (loss) / profit		418,090	35,482	624,420	374,405
Administrative expenses		(45,500)	(49,623)	(162,306)	(150,010)
Distribution and selling costs		(113,515)	(52,068)	(302,242)	(182,999)
Other operating expenses		(67,078)	(81,425)	(193,259)	(159,161)
Other operating income		25,085	1,559,144	57,048	2,028,070
(Loss) / profit from operations		217,082	1,411,510	23,661	1,910,305
Finance cost		(257,551)	(241,534)	(664,956)	(735,348)
Income from associated companies		-		2,761	2,269
Gain on disposal of subsidiary		-		38,324	-
(Loss) / profit before taxation		(40,469)	1,169,976	(600,210)	1,177,226
Taxation		12,824	(7,177)	(4,848)	(45,711)
(Loss) / profit after taxation		(27,645)	1,162,799	(605,058)	1,131,515
Attributable to:					
Equity holders of the parent		(10,616)	-	(587,366)	-
Minority Interest		(17,029)	-	(17,692)	-
		(27,645)	-	(605,058)	-
Earnings per share - basic	11 Rupees	(0.15)	20.07	(8.45)	19.53

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

CONSOLIDATED INTERIM CASH FLOW STATEMENT
FOR THE QUARTER AND NINE MONTHS ENDED JUNE 30, 2008 (UN-AUDITED)

	Note	Nine months ended	
		June 30 2008	June 30 2007
(Rupees in thousand)			
Cash flows from operating activities			
Cash (used) in / generated from operations	12	(251,017)	917,286
Finance cost paid		(606,678)	(803,306)
Taxes paid		(6,140)	(9,263)
Retirement benefits paid		(3,229)	(11,186)
Net (increase) / decrease in long term advances, loans, deposits and prepayments		(50,558)	(20,086)
Net cash (used) in / generated from operating activities		(917,622)	73,445
Cash flows from investing activities			
Fixed capital expenditure		(676,499)	(188,762)
Investment -net		28,706	2,441,938
Acquisition of subsidiaries , net of cash acquired		(215,635)	-
Dividend received		11,365	34,423
Sale proceeds from sale of property, plant and equipment		7,284	15,091
Net cash (used) in / generated from investing activities		(844,779)	2,302,690
Cash flows from financing activities			
Proceeds from long term finances		1,403,000	235,000
Shares Deposit money received		449,500	60,000
Repayment of long term finances		(414,320)	(360,339)
Sales proceeds from sale and lease back transactions		-	7,679
Net increase / (decrease) in short term borrowings - secured		194,623	(1,266,144)
Finance lease liabilities - net		(92,237)	(52,232)
Dividend paid		(57,936)	-
Net cash generated from / (used) in financing activities		1,482,630	(1,376,036)
Net (decrease) / increase in cash and cash equivalents		(279,771)	1,000,099
Cash and cash equivalents at the beginning of the period		510,104	193,230
Cash and cash equivalents at the end of the period		230,333	1,193,329

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.


 Chief Executive


 Chairman

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED JUNE 30, 2008 (UN-AUDITED)

(Rupees in thousand)

	R E S E R V E S											Total	Minority Interest	Total Equity		
	Capital Reserves					Revenue Reserves					Un-appropriated profit				Total	
	Share deposit money	Share for issuance of bonus share	Share premium	Share in capital reserves of associates	Fair value reserve	Difference of capital under scheme of arrangement of merger	Sub-total	General	Dividend equalization	Equity investment market equalization						Sub-total
Balance as on September 30, 2006	579,365	-	243,282	10,205	1,587,979	155,930	1,987,396	526,479	22,700	83,000	632,179	2,629,575	255,259	3,484,199	-	3,484,199
Share deposit money received during the year	60,000	-	-	-	-	-	-	-	-	-	-	-	-	60,000	-	60,000
Transferred to profit and loss account on derecognition of shares	-	-	-	-	(1,477,298)	(1,477,298)	(1,477,298)	-	-	-	-	(1,477,298)	-	(1,477,298)	-	(1,477,298)
Fair value loss during the period	-	-	-	-	121,822	121,822	121,822	-	-	-	-	121,822	-	121,822	-	121,822
Share in capital reserves of associates	-	-	58,751	58,751	-	58,751	58,751	-	-	-	-	58,751	-	58,751	-	58,751
Transfer from surplus on revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-	19	19	-	19
Loss for the period	-	-	-	-	-	-	-	-	-	-	-	-	1,131,515	1,131,515	-	1,131,515
Balance as on June 30, 2007	579,365	60,000	243,282	68,956	232,503	155,930	700,671	526,479	22,700	83,000	632,179	1,332,850	1,386,793	3,359,008	-	3,359,008
Balance as on September 30, 2007	579,365	60,000	243,282	108,159	(122,006)	155,930	385,365	526,479	22,700	83,000	632,179	1,017,544	730,900	2,387,809	-	2,387,809
Final dividend for the year ended September 2007	-	-	-	-	-	-	-	-	-	-	-	-	(57,936)	(57,936)	-	(57,936)
Reserve for issuance of bonus shares	-	115,873	-	-	-	-	115,873	(115,873)	-	-	(115,873)	-	-	-	-	-
Bonus shares issued during the period	115,873	-	-	-	-	-	(115,873)	-	-	-	-	(115,873)	-	-	-	-
Issuance of share against share deposit money	(60,000)	-	-	-	-	-	-	-	-	-	-	-	-	(60,000)	21,676	(38,324)
Minority interest at date of accusation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	39,047	39,047
Share deposit money received during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	449,500	449,500	449,500
Share in capital reserve of associate	-	-	-	(3,332)	-	(3,332)	(3,332)	-	-	-	-	(3,332)	-	(3,332)	-	(3,332)
Fair value gain during the period	-	-	-	-	102,761	102,761	102,761	-	-	-	-	102,761	-	102,761	-	102,761
Transfer from surplus on revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-	11	11	-	11
Loss for the period	-	-	-	-	-	-	-	-	-	-	-	-	(587,366)	(587,366)	(17,692)	(605,058)
Balance as on June 30, 2008	685,238	449,500	243,282	104,827	(19,245)	155,930	484,794	410,606	22,700	83,000	516,306	1,001,100	85,609	2,231,447	43,031	2,274,478

The annexed notes 1 to 17 form an integral part of these financial statements.



Chief Executive



Chairman

**NOTES TO AND FORMING PART OF THE
CONSOLIDATED FINANCIAL INFORMATION
FOR THE QUARTER AND NINE MONTHS ENDED JUNE 30, 2008 (UN-AUDITED)**

1. The company and its activities

Shakarganj Mills Limited (the parent company) and its subsidiaries, Shakarganj Food Product Limited (SFPL), Safeway Fund Limited (SFL), Asian Capital Management Limited (ACML) (together, "the group") are engaged in the following business.

- manufacture, purchase and sale of sugar, ethanol, building material, yarn, electricity and engineering items through the holding company, Shakarganj Mills Limited.
- manufacture and sale of juices, dairy product and other allied product through the subsidiary company, Shakarganj Food Product Limited (formally A.M. Fruit Products (Private) Limited).
- rendering investment advisory services of mutual fund through the subsidiary companies, Safeway Fund Limited and Asian Capital Management Limited.

2. Basis of preparation of financial statements

These financial statements are unaudited and are being submitted to the shareholders as required under section 245 of companies ordinance, 1984. These have been prepared in accordance with the International Accounting Standards 34 "Interim Financial Reporting" as applicable in Pakistan as notified by the Securities and Exchange Commission of Pakistan.

3. Significant accounting policies

Accounting policies for the preparation of these financial statements are the same as those applied in the preparation of the preceding annual published financial statements of the company for the year ended September 30, 2007.

- 4.** The provision for taxation for the nine months ended June 30, 2008 has been made on an estimated basis.

Consolidated information includes financial results of Shakarganj Food Product Limited, Safeway Fund Limited and Asian Capital Management Limited.

5. Long term finances

	June 30 2008	September 30 2007
	(Rupees in thousand)	
Opening balance	2,639,051	2,370,831
Add: Disbursements during the period	1,403,000	773,977
Add: Amortization of Difference amount between initial & maturity amount	-	(11,215)
	4,042,051	3,133,593
Less: Repayments during the period	(414,320)	(494,542)
	3,627,731	2,639,051
Less: Current portion shown under current liabilities	(616,201)	(585,518)
	3011,530	2,053,533

6. Contingencies & Commitments

6.1 Contingencies:

The group has issued following guarantees:

- (i) Bank guarantee of Rs 86.50 million (September 2007: Rs 86.50 million) in favour of Sui Northern Gas Pipelines Limited to indemnify against default in gas bills.
- (ii) Bank guarantee in favour of Government of Pakistan through Collector of Sales Tax, LTU against Sales tax refund claim amounting to Rs 9.552 million (September 2007: Rs 1.352) million.
- (iii) Cross corporate guarantee in favour of Allied Bank Limited to secure long term finance facility availed by the company's subsidiary, Shakarganj Food Products Limited of Rs 467 million (September 2007: Rs 467 million).
- (iv) During the course of negotiations for acquisition of net operating fixed assets of Dairy Crest Foods (Private) Limited ("the seller") by the subsidiary company, SFPL, the management of Dairy Crest Foods (Private) Limited disclosed to the Company ("the buyer") about a pending litigation between Mohammad Saleem etc vs Ravi Agricultural (the original owner of dairy plant, later on this plant was acquired by Dairy Crest Foods (Private) Limited) pending before Additional District and Session Judge, Faisalabad which challenges the title of the seller to the moveable assets and immovable property. By signing the tripartite asset transfer agreement, the seller agreed to inform the buyer in writing of all orders made in the suit as soon as the relevant orders are passed. Further the seller sponsors agreed to use their best efforts to get the suit dismissed as soon as possible and indemnify the buyer on demand against all losses, costs, expenses, damages and claim that may be made against or incurred by the buyer as consequence of any order or decision in the suit.

Further, if it is held in the suit that the seller did not have full title to any of the moveable assets and immovable property transferred, the seller sponsors would pay to the buyer on demand the amount paid by the buyer for same plus mark-up at the rate of 15% per annum from the date of payment by the buyer. As of the date of preparation of these financial statements, the suit is still pending before the Additional District and Session Judge, Faisalabad awaiting adjudication. Management of the Company is confident that the seller will be able to get the suit dismissed and the result of the suit will be favorable.

- (v) Bank guarantee amounting to Rupees 0.900 million (30 September 2007: 0.900 million) given by subsidiary company SFPL in favour of Sui Northern Gas Pipelines Limited for the performance of contract.
- (vi) The Commissioner of Income Tax (Appeals) has passed an order under section 129 of the Income Tax Ordinance, 2001 for the tax year 2006 demanding Rupees 32.296 million as income tax payable alongwith additional tax on account of failure to withhold taxes at the time of making payments to certain parties and on additions in fixed assets. The Subsidiary company SFPL is in the process of filing appeal before the Income Tax Appellate Tribunal against the said order contesting on the ground that withholding tax provisions do not apply to such payments. Pending the outcome of appeal, no provision has been recognised in these financial statements as the Company has strong grounds to believe that the ultimate outcome will be in its favour.

- (vii) The Subsidiary company SFPL was unable to submit sales tax refund claim amounting to Rupees 4.496 million for the month of July 2006 within the stipulated time owing to confusion over sales tax refund rules and the applicability of time limit for submission of refund claim. The Company applied to the Collector of Sales Tax and the Central Board of Revenue for condonation of time limit for submission of refund claim but was refused extension. Owing to the fact that a large number of registered sales tax payers are facing similar difficulty and their appeals before Sales Tax Appellate Tribunal are pending adjudication, no provision for sales tax irrecoverable has been recognized in these financial statements as the Company is confident of favourable outcome of the appeals.
- (viii) Claim not acknowledged as debt by the subsidiary company SFPL amounting to Rupees 0.544 million (30 September 2007: NIL)
- (ix) The subsidiary company ACML has filed a rectification application in respect of assessment year 2000-01 to 2002-03, which is still pending.
- (x) Assessment in respect of assessment year 1999-2000 was finalized by the deputy commissioner of income tax by disallowing certain expenditures. The subsidiary company ACML has filed an appeal with the commissioner of income tax appeals ((CIT)A). The ((CIA)T) in its order allowed certain relief to the company. The income tax department has filed an appeal with the income tax appellate tribunal who has upheld the relief allowed by ((CIA)T). However the appeal effect order is still awaited.

6.2 Commitments

The group has the following commitments in respect of:

- (i) Letters of credit other than capital expenditure Rs 100.441 million (September 2007: Rs 2.867 million).
- (ii) Contracts for capital expenditure amounting to Rs 108.849 million (September 2007: Rs 494.710 million).
- (iii) Contracts for acquisition of intangible (computer software) amounting to Rs 20 million (September 2007: Rs 20 million).
- (iv) Commitments in respect of long term loan to Sui Northern Gas Pipelines Limited for the development of infrastructure for supply of natural gas to Dairy plant amounting to Rs 11.960 million (30 September 2007: 21.960).

	Note	June 30 2008 (Rupees in thousand)	September 30 2007
7. Property, plant and equipment			
Opening book value		6,793,062	4,964,548
Add: Additions during the period	7.1	576,756	430,314
Add: Revaluation during the period		-	1,837,094
		7,369,818	7,231,956
Less: Disposals during the period (at book value)		3,885	15,780
Depreciation charged during the period		298,878	406,213
Impairment charge charged during the period		-	16,901
		302,763	438,894
Closing book value		7,067,055	6,793,062
7.1 Addition during the period			
Land		18,068	41,591
Building on freehold land		19,369	140,883
Plant and machinery		511,274	184,605
Tools and equipment		1,294	34,449
Laboratory equipment		723	411
Water, electric and weighbridge equipments		4,586	4,900
Furniture and fixtures		3,291	1,745
Office equipment		1,861	2,518
Vehicles		11,993	18,835
Library books		94	377
Assets of subsidiary company ACML		33	-
Assets of subsidiary company SFL		4,170	-
		576,756	430,314
8. Long term investments - related parties			
In equity instruments of associated companies	8.1	171,404	177,233
Available for sale	8.2	144,094	16,040
		315,498	193,273
8.1 In equity instruments of associated companies			
Cost		55,529	55,529
Brought forward amounts of post acquisition reserves and profits and negative goodwill recognized directly in profit and loss account		121,704	157,789
		177,233	213,318
Share of movement in reserves during the year		(3,332)	97,954
Share of profit for the year			
- before taxation		2,761	103,688
- provision for taxation		(129)	(4,851)
		2,632	98,837
		176,533	410,109

	Note	June 30 2008 (Rupees in thousand)	September 30 2007
(Less)/Add: Share of profits and reserves of associates: transferred to short term investments:			
- to be disposed off during twelve months		-	(233,448)
disposed off during the year		-	7,567
dividends received during the year		(5,129)	(6,995)
Balance		171,404	177,233
8.2 Available for sale			
Associated companies - at cost		14,000	14,000
Others - at cost		123,116	2,200
		137,116	16,200
Add: Cumulative fair value gain		9,178	2,040
Less: Cumulative impairment losses recognized		(2,200)	(2,200)
Fair value gain		6,978	(160)
		144,094	16,040
9. Short term investments			
Available for sale	9.1	1,096,169	1,000,970
Held for trading		69,611	70,959
		1,165,780	1,071,929
9.1 Available for sale			
At cost:			
Related parties		859,052	859,053
Others		265,540	267,406
		1,124,592	1,126,459
Add: Cumulative fair value gain		(28,423)	(124,046)
Less: Cumulative Impairment losses recognized	9.2	-	(1,443)
Fair value gain		(28,423)	(125,489)
		1,096,169	1,000,970
9.2 Impairment losses			
Opening balance		1,443	54,171
Add: impairment loss recognized during the period		-	52,892
Less: impairment loss adjusted upon derecognition of investments		(1,443)	(105,620)
Closing balance		-	1,443

10. Segment results

(Rupees in thousand)

	Sugar			Ethanol			Building materials			Textiles			Engineering			Power			
	Quarter ended	New months ended	Year to date	Quarter ended	New months ended	Year to date	Quarter ended	New months ended	Year to date	Quarter ended	New months ended	Year to date	Quarter ended	New months ended	Year to date	Quarter ended	New months ended	Year to date	
2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	
10.1	1,573,725	757,547	3,764,689	3,178,723	694,673	221,045	1,250,240	507,305	12,836	3,105	40,384	8,700	216,688	19,354	647,871	589,976	15,295	954,007	37,583
10.2	(1,543,073)	(771,162)	(2,709,587)	(2,992,294)	(377,768)	(169,309)	(787,689)	(388,005)	(7,552)	(7,417)	(26,115)	(11,985)	(201,938)	(190,891)	(647,400)	(540,726)	(6,554)	(62,986)	(5,372)
	30,652	(13,615)	35,032	19,949	316,865	51,736	483,151	119,302	5,284	(4,212)	14,269	(3,280)	14,930	2,979	471	19,520	6,041	32,521	32,211
	15,704	3,813	23,527	11,602	24,948	13,871	80,007	45,042	(9)	11	14,23	16	11,529	26,284	2,481	12,321	6,191	19,991	78
	22,833	37,372	105,735	116,511	39,177	17,212	14,044	320	7,433	8,554	26,772	22,321	851	861	1,016	1,016	-	861	1,016
	8,019	(51,347)	(50,653)	8,2578	277,798	29,564	350,450	57,525	5,112	(4,446)	12,865	(3,610)	7,417	(5,975)	(26,301)	(3,071)	6,090	31,660	31,195
	1,592,560	821,980	3,988,301	3,384,194	66,550	48,628	1,226,224	167,233	15,163	3,697	48,911	10,385	204,077	138,515	538,849	472,980	-	-	33,303
	42,964	-	56,895	-	638,690	181,667	1,140,906	359,938	-	-	-	-	8,768	52,301	93,881	75,493	-	-	4,344
	-	-	52	4	-	-	-	-	-	-	-	-	5,500	4,236	19,535	15,163	-	-	4,344
	128,686	48,477	510,761	247,871	-	-	2,086	-	-	-	-	-	-	-	-	-	15,295	954,007	8,624
	1,763,912	865,457	4,255,019	3,630,939	703,240	227,095	1,267,310	526,257	15,163	3,697	48,911	10,385	216,345	195,052	652,265	583,636	15,295	954,007	41,927

10.1 Sales

Cons sales
- Export
- Local
- By-products
- Investment Advisory fee
- Inter segment

Leads, Commission to selling agents
Trade discount & replacement
Sales tax

10.2 Cost of sales

Inter segment
Raw materials consumed
Salaries, wages and other benefits
Dyes and chemicals
Stores and spares consumed
Packaging material consumed
Procuring charges
Fuel and power
Maintenance
Insurance
Vehicles running expenses
Printing and stationery
Rent, rates and taxes
Repairs and maintenance
Staff training and development
Depreciation/amortization
Other factory overheads

Operating work in process
Loss: Closing work in process

Cost of goods produced
Opening stock of finished goods
Less: Closing stock of finished goods

Less: Own goods capitalized

10.3 Inter segment sales/purchases have been eliminated from total figures.

20,851	36,979	117,566	119,003	4,276	4,528	14,100	9,610	1,112	4,234	2,750	15,625	12,778	49,319	3,6864	208	980	1,402	3,211
16,231	19,394	69,111	62,767	(425)	2,355	3,919	3,802	182	163	924	242	5,293	5,000	11,232	21	203	203	203
3,475	3,606	28,180	18,455	22,755	4,352	42,668	11,692	3,802	1,414	3,561	-	-	-	-	-	-	-	-
4,097	5,438	54,885	32,704	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28,161	19,286	55,668	68,390	8,306	2,966	11,279	10,229	13	1,063	(4,233)	10,235	27,670	35,402	(42)	321	321	321	
1,824	1,886	10,086	878	1,477	1,775	3,272	2,303	75	1,111	22	34	928	925	1,845	2,497	18	78	78
1,310	1,603	3,905	5,711	210	768	871	1,253	7	11	40	29	34	928	925	1,845	2,497	18	138
1,372	1,044	4,311	3,962	(56)	368	147	600	13	17	39	31	313	261	802	821	88	92	126
297	160	630	705	11	11	11	6	10	-	-	-	-	-	-	-	-	-	27
1,189	2,695	9,140	536	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
234	242	440	316	18	18	18	18	-	-	-	-	-	-	-	-	-	-	-
57,673	56,573	172,835	189,483	16,518	29,102	46,537	45,646	168	390	532	793	7,146	5,099	32,011	15,520	712	2,901	2,418
3,387	2,028	16,632	14,675	2,572	626	4,697	1,163	(32)	235	418	2,323	176	872	176	31	292	292	292
296,862	469,479	4,012,623	3,107,527	297,035	184,973	898,138	443,404	8,127	6,156	36,662	13,015	237,433	182,972	704,651	542,244	17,367	43,843	5,372
30,684	26,068	3,683	16,952	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3,009	3,242	3,009	3,242	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27,675	22,824	674	13,710	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
324,537	482,303	4,913,397	3,121,237	297,035	184,973	898,138	443,404	8,127	6,100	36,662	8,648	235,781	182,818	701,901	542,233	17,367	43,843	5,372
2,383,602	1,945,532	8,711,166	1,524,730	259,583	116,463	1,077,771	76,706	1,490	4,936	6,212	40,990	34,221	20,432	24,571	20,432	24,571	24,436	24,436
1,174,686	1,086,993	11,74,686	1,686,993	132,073	200,623	132,073	151,442	3,879	15,144	15,144	3,970	74,923	2,075	74,923	2,075	74,923	9,413	9,413
1,218,536	279,859	(303,710)	(14,1943)	(80,733)	(15,684)	(55,401)	(975)	1,317	(10,947)	2,342	(33,943)	8,143	(54,501)	(15,007)	(6,413)	19,043	-	-
1,543,073	771,162	3,709,587	2,992,294	377,768	169,309	787,689	388,003	7,552	7,417	26,115	11,980	201,838	190,891	647,400	540,726	8,554	62,986	5,372

10. Segment results

(Rupees in thousand)

Note		Shikaripuri Food						Asian Capital Management Fund						Safeway Fund						Total	
		Quarter ended		Half year ended		Year ended		Quarter ended		Half year ended		Year ended		Quarter ended		Half year ended		Year ended			
		June	30, 2007	June	30, 2007	June	30, 2007	June	30, 2008	June	30, 2008	June	30, 2007	June	30, 2008	June	30, 2007	June	30, 2008		
10.1	Net sales	296,927	235,406	858,909	775,650	4,526	-	5,084	-	5,825	-	2,705,419	1,367,166	6,091,180	4,780,397						
10.2	Segment expenses	(296,392)	(236,313)	(845,539)	(735,936)	-	-	-	-	-	-	(2,287,329)	(1,331,684)	(5,466,760)	(4,405,992)						
	Gross profit/(loss)	535	(97)	13,370	39,714	4,526	-	5,084	-	5,825	-	418,090	35,482	624,420	374,405						
	-Administrative expenses	(6,908)	(1,444)	14,694	9,932	3,132	-	3,383	-	7,431	-	45,500	49,623	162,306	150,010						
	- Distribution and selling cost	71,633	31,653	180,551	121,808	-	-	115,915	-	32,068	-	159,015	52,068	302,242	162,989						
	Segment results	(78,048)	(34,006)	(191,615)	(92,026)	1,394	-	1,701	-	(1,115)	-	259,075	(66,209)	159,872	41,396						
	10.1 Sales																				
	Gross sales	312,666	216,398	887,920	753,819							2,224,809	1,226,618	5,333,508	4,792,581						
	- Local	5,564	30,722	34,425	61,458							693,986	264,090	1,326,107	496,889						
	- By-products					4,526		5,084		5,825		5,500	4,236	19,587	15,167						
	- Investment Advisory fee											9,709	-	10,909	-						
	- Inter segment																				
	Less: Commission to selling agents	318,430	247,120	932,345	815,277	4,526	-	5,084	-	5,825	-	2,934,004	1,494,944	6,890,111	5,304,637						
	Trade discount & replacement											4,544	2,923	14,019	10,933						
	Sales tax	21,503	11,714	73,436	39,627							21,503	11,714	73,436	39,627						
												202,538	113,141	511,476	475,680						
	Net sales	21,503	11,714	73,436	39,627	-	-	-	-	-	-	228,585	127,778	596,931	524,240						
		296,927	235,406	858,909	775,650	4,526	-	5,084	-	5,825	-	2,705,419	1,367,166	6,091,180	4,780,397						
	10.2 Cost of sales																				
	Inter-segment																				
	Raw materials consumed	175,425	127,885	525,256	447,991							650,924	679,223	4,830,823	3,559,747						
	Salaries, wages and other benefits	10,182	7,580	26,059	20,360							56,417	62,977	213,176	182,387						
	Stores and spares consumed		1,536	217	4,431							22,704	25,912	90,904	78,043						
	Dyes and chemicals	64,658	46,003	184,829	157,037							30,235	10,908	85,412	38,139						
	Packing material consumed	3,306	17,509	12,805	28,213							72,206	56,219	249,980	198,254						
	Processing charges	23,390	19,341	65,092	54,852							3,306	17,509	12,805	28,213						
	Fuel and power	6,752	5,244	23,698	12,730							47,566	58,229	151,532	170,976						
	Repair and maintenance	461	1,744	1,537	2,439							11,523	11,905	46,319	34,582						
	Insurance	20	1,230	1,230	1,230							5,051	8,274	1,934	1,934						
	Traffic and postage	200	1,230	1,025	2,657							2,657	3,464	5,868	5,868						
	Printing and stationery	134	119	394	264							981	2,581	2,981	5,085						
	Rent, rates and taxes											294	291	1,309	1,026						
	Sugarcane research and development											(416)	325	1,568	1,568						
	Staff training and development											1,862	2,650	9,109	5,817						
	Depreciation / amortization	12,803	10,958	34,079	32,219							234	326	440	400						
	Other factory overheads	1,167	1,376	3,694	1,714							97,438	101,122	291,213	283,651						
	Opening work in process	299,321	239,905	880,442	785,915							1,008,627	1,040,007	6,027,389	4,622,848						
	Less: Closing work in process	(3,629)	55	(3,829)	(1,229)							39,134	35,355	21,093	12,686						
		295,692	239,960	876,613	784,686							16,740	12,686	16,740	12,686						
	Cost of goods produced	84,765	73,686	262,691	148,791							22,394	22,669	(5,905)	8,407						
	Opening stock of finished goods	84,068	77,538	84,068	77,538							1,031,021	1,062,676	6,021,484	4,631,255						
	Less: Closing stock of finished goods	700	(3,647)	(31,074)	(28,754)							2,833,277	2,175,271	1,956,491	1,681,090						
		296,392	236,313	845,539	735,936							1,577,239	1,908,263	1,577,239	1,908,263						
	Less: Own goods capitalized											1,256,036	269,008	(491,839)	(225,263)						
												2,287,059	1,331,684	5,466,760	4,405,992						

11. Earnings per share

There is no dilution of the basic earnings per share of the company as the effect of company's commitment to convert 1,000 preference shares into 167 ordinary shares of Rs 10 each is anti-dilutive.

Nine months ended	
June 30	June 30
2008	2007
(Rupees in thousand)	

12. Cash generated from operations

Profit / (Loss) before taxation	(600,210)	1,177,226
Adjustments for:		
Depreciation on property, plant and equipment	298,878	307,164
Depreciation on assets subject to finance lease	25,299	7,554
Amortization of intangible assets	23,618	15,762
Amortization of deferred income	(1,053)	(1,278)
Gain on sale of property, plant and equipment	(3,399)	(3,164)
Impairment losses of investment	2,792	(19,835)
Gain on sale of investments	(5,375)	(1,963,307)
Unrealized loss (gain) on investments held for trading	18,952	(16,165)
Retirement benefits accrued	7,802	11,823
Dividend income	(2,878)	(33,802)
Fair value loss on recognition of biological assets	54,362	102,937
Provision for accumulating compensated absences	583	-
Gain on disposal of partial shares of subsidiary company	(38,324)	-
Share of loss/(income) from associated companies	(2,761)	(2,269)
Finance cost	664,956	735,348
	1,043,452	(859,232)
Profit before working capital changes	443,242	317,994
Effect on cash flow due to working capital changes:		
(Increase) in stores and spares	(116,884)	(22,311)
(Increase) in stock in trade	(817,862)	(173,081)
(Increase) / decrease in trade debts	(169,849)	27,371
(Increase) / decrease in biological assets	(14,066)	109,659
(Increase) / decrease in loans, advances, deposits, prepayments and other receivables	(129,676)	117,492
Increase in trade and other payables	554,078	540,162
	(694,259)	599,292
	(251,017)	917,286

Nine months ended	
June 30	June 30
2008	2007
(Rupees in thousand)	

13. Transactions with related parties

Subscription to right issue made by subsidiary company	575,446	-
Interest bearing advances extended to subsidiary company	178,171	-
Share deposit money received	-	60,000
Mark up charged to subsidiary company	10,623	-
Allocation of expenses from subsidiary company	195	-
Dividend received	7,294	4,730
Purchase of goods and services	80,606	59,857
Sale of goods	3,732	38,445
Share of common expenses	1,206	544
Expenses incurred on behalf of the company	2,524	619
Key management personnel compensation	17,355	-
Expense in respect of retirement benefit plans	5,201	-

14. Date of authorization of issue

This condensed interim financial information was authorised for issue on July 29, 2008 by the Board of Directors of the company.

15. Detail of subsidiaries

Name of subsidiary	Accounting year end	Percentage of holding	Country of incorporation
Shakarganj Food Products Limited (Formerly A. M. Fruit Products (Private) Limited)	September 30	90.56%	Pakistan
Safeway Fund Limited	June 30	75.00%	Pakistan
Asian Capital Management Limited	June 30	75.00%	Pakistan

16. Subsequent events


Subsequent to March 31, 2008, a consortium of investors comprising KASB Capital Limited (KASB) and AKD Securities Limited (AKD), through an agreement with the company, Crescent Steel and Allied Products Limited (CSAPL) and Shakarganj Foods Product Limited (SFPL), have agreed to subscribe to the share capital of SFPL, a subsidiary of the company, to the extent of Rs 777 million. Consequent to this, the company's shareholding in SFPL will reduce from 90% to approximately 44%.

17. Corresponding figures

Previous period's figures have been rearranged, wherever necessary, for the purposes of comparison. However, no significant re-arrangements have been made.



Chief Executive



Chairman