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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.

Vision, Mission & Values

COMPANY INFORMATION

BOARD OF DIRECTORS

Mazhar Karim	Chairman
Ahsan M. Saleem	Chief Executive
Kaleem Uddeen Ahmad	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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COMPANY SECRETARY

Amjad Farooq

CHIEF FINANCIAL OFFICER

Mahboob Ali Qureshi

MANAGEMENT COMMITTEES

Business Strategy Committee

Chairman	Ahsan M. Saleem Anjum M. Saleem Muhammad Asghar Qureshi Pervaiz Akhter Manzoor Hussain Malik Shahid Hamid Mir Ch. Shah Muhammad
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Executive Committee

Chairman	Ahsan M. Saleem Anjum M. Saleem Muhammad Asghar Qureshi
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System & Technology Committee

Chairman	Muhammad Awais Qureshi Ch. Shah Muhammad Mahboob Ali Qureshi Saad Akhtar Jaffery
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Investment Committee

Chairman	Ahsan M. Saleem Anjum M. Saleem
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Human Resource Committee

Chairman	Muhammad Asghar Qureshi Muhammad Awais Qureshi Ch. Shah Muhammad Mahboob Ali Qureshi Hameedullah Awan
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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 Share Department at Company's registered Office, Lahore.

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

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

Products

- Ethanol
- Particle Board
- Sugar
- Yarn
- Electricity

Legal Advisor

Hassan & Hassan Advocates, Lahore.

Auditors

A. F. Ferguson & Co.
Chartered Accountants

Bankers

- Allied Bank Limited
- Askari Commercial Bank Limited
- Bank Alfalah Limited
- Samba Bank Limited
- Faysal Bank Limited
- Meezan Bank Limited
- MCB Bank Limited
- NIB Bank Limited
- National Bank of Pakistan Limited

- The Bank of Punjab
- United Bank Limited
- Standard Chartered Bank (Pakistan) Limited
- Saudi Pak Commercial Bank Limited

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 Facilities

Shakarganj Bhone

63 K.M. Jhang Sargodha Road,
Bhone-Pakistan.

Tel: +92-47-7223016, 223075

Fax: +92-47-7223017

Shakarganj Dargai Shah

8 K.M. 18 Hazari, Layyah Road,
Jhang-Pakistan.

Tel: +92-47-7006442-7006440

Fax: +92-47-7010127

Website

www.shakarganj.com.pk

Note: This interim Report is available on Shakarganj website

Registered Office

BOP Tower, 10-B Block E 2, Gulberg III,
Lahore. Pakistan

Tel: +92-42-5783827-29

Fax: +92-42-5875916

Principal Office

10th Floor, BOP Tower, 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

COMPANY PROFILE

Shakarganj Mills Limited was incorporated in Pakistan in 1967 as a Public Limited Company and is listed on all stock exchanges in Pakistan. Shakarganj is a leading manufacturer of renewable food products, ingredients and textiles. All our products are made from renewable crops and by-products. We transform renewable agriculture crops, sugarcane and cotton, into value added products for customers in the sugar, food, beverage, pharmaceutical, fuel and power, cosmetics, building and textile industries. Some of our ingredients from renewable sources often replace synthetic and petrochemical alternatives. The company has its principal manufacturing facilities in Jhang along with satellite manufacturing facilities at Bhone, Faisalabad and Dargai Shah.

The registered office of the company is situated in Lahore.

In addition to the various business divisions and wholly owned subsidiaries, Shakarganj holds major interest in Shakarganj Food Products Limited, which is engaged in production of dairy and fruit products.

Sugar Business:

Three manufacturing facilities located at Jhang, Bhone and Dargai Shah. The products include Coarse and fine grain white crystalline sugar in pharmaceutical, beverage and commercial grades. Crystalline and soft brown sugar. Castor and icing sugar. Ice cubes, sachets and retail packs.

The combined capacity of crushing is 24,000 metric tons sugarcane per day expandable up to 40,000 metric tons per day.

Ethanol Business:

Ethanol is produced in distilleries located at Jhang and Bhone. The Products include, rectified ethanol in industrial and food grades, Anhydrous Ethanol (fuel grade) and Extra Neutral Ethanol in pharmaceutical and perfume grades. The combined capacity of distilleries is 280,000- 300,000 litres per day.

Building Materials Business:

Particle Board facility located at Jhang with a capability to produce 12 feet x 4 feet sheets in varying thicknesses. Daily production capacity is 30 cubic meters.

Alternate Energy Business:

Located at Jhang, this facility comprises of 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.

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 Business:

This comprises of different parcels of land mainly located in Jhang division nearby our manufacturing facilities. Total area under cultivation is over 9,000 acres of which nearly 2,500 acres is owned land and rest is leased. The main crops include Sugarcane, Wheat, Gram, Maize, Fodder and seasonal vegetables. A dairy farm located in jhang with a herd of 200 milking cattle a small herd for fattening is under development.

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 providing long-term value for our shareholders. Our strategy is to build

COMPANY PROFILE

a stronger value added business on a low-cost commodity base. To deliver growth, we focus on five key business objectives.

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 on technical and manufacturing excellence and the efficient use of services such as logistics and utilities, we are continually working to improve the efficiency of our operations. We also strive to ensure that there are 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 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 develop innovative solutions that meet our customers' product challenges. We are also complementing our own capabilities through business and technology partnerships, and university collaborations. To develop talent, improve leadership and help our employees succeed, we operate various programmes designed to ensure we have the right skills at all levels to grow our business.

Grow the contribution from value added products:

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

Dear Shakarganj Shareholder

I am pleased to present the un-audited accounts of your company for the 3rd quarter and nine months ended 30th June 2009.

The performance of various divisions is given below:

Sugar Division

During the period under review, the availability of sugarcane was drastically reduced due to short crop. As sugarcane production was surplus last year and its substantial portion was frost damaged, the growers reduced the sowing for the current season. They were also inclined to plant alternative crops due to high prices of wheat and cotton. The overall availability of sugarcane was down by more than 35 percent. Due to the short crop, there was an unprecedented increase in the price of sugarcane. While there was a 33 percent increase in the minimum support price from Rs. 60 to Rs. 80 per 40 kg, the actual purchase price spiraled to Rs. 150 per 40 kg.

Due to shortage of raw material the operations started fairly late on 24th November 2008 and came to a close on 13th March 2009. Shakarganj processed 784,056 metric tons of sugarcane as compared to 2,254,124 metric tons during corresponding period. The production of sugar was obviously much lower at 71,600 metric tons compared to 177,092 metric tons in the corresponding period. The recovery rate improved to 9.16 percent compared to 7.85 percent in the previous season. In addition to the two sugar plants, the Dargai Shah plant was also brought into production on a trial run for a short period.

Sugar division recorded sale at Rs. 2,704 million compared to Rs. 3,765 million in the corresponding period of the last

year. Gross profit margin improved to 9.51% compared to 1.46% during the corresponding period due to increase in average selling price of sugar. Operating expenses for the period under review were Rs. 99.393 million as compared to 105.735 million in the corresponding period of last year. The operating profit amounted to Rs. 157.768 million as compared to operating loss of Rs. 50.653 million in the corresponding period of last year.

Ethanol and Alternate Energy Business

This division was able to produce 31.750 million litres of ethanol as compared to 56.900 million liters in the corresponding period of last year. Production of this division was affected due to short season resulting in lower production of molasses. The sale of this division was Rs. 1,103.065 million as compared to Rs. 1,250.240 million in the corresponding period of last year.

Operating expenses during this period were Rs. 126.083 as compared to Rs. 112.701 million in the corresponding period of last year. The operating profit decreased to Rs. 120.570 million from Rs. 350.400 million in corresponding period of last year.

Power Division

The Power Division generated 21,547,000 units during the period under review as compared to 9,106,700 units in the corresponding period of last year. The sales revenue of the division during the period under review was 143.309 million as compared to Rs. 37.583 million in the corresponding period. The total electricity generated is sold to FESCO under an agreement. The operating profit of this division during this period was Rs. 77.996 million as compared to Rs. 31.195 million during corresponding period last year.

CHIEF EXECUTIVE REVIEW

Textile Division

As reported earlier the textile industry is facing a very difficult time due to adverse operating conditions. The yarn market remained depressed and sales confined to the local market.

Overall production in the current period was 111,167 bags against 110,364 bags in the corresponding period. Actual production in 20's converted was 114,552 bags (11,116,700 Lbs). During the current period the single yarn was processed at the doubling plant and produced 43,073 bags compared to 43,067 bags in the corresponding period. Overall production performance could have been much better, but the frequent shut downs in electric supply from WAPDA seriously affected the total output. Your management made in-house arrangement to provide uninterrupted supply of electrical power to textile division. This improved the overall production of the textile division. Sales Revenue of the textile division stood at Rs. 734.093 million for the period under review compared to Rs. 647.871 million in the corresponding period of last year. The gross profit margin of 0.07% in the corresponding period was converted into gross loss of 8.12% during the period under review.

The operating expenses were Rs. 20.987 million for the current period compared to Rs. 26.772 million in the corresponding period, a reduction of 21.61%.

This division incurred an operating loss of Rs. 80.581 million as compared to Rs. 26.301 million in the corresponding period last year.

Building Material Division

The production of this division during the period under review reduced substantially due to less availability of bagasse because of short crop. In the current period, 1,643

cubic meters of particle board was produced as compared to 6,567 cubic meters in the corresponding period.

Sales revenue of this division stood at Rs. 23.465 million as compared to 40.384 million in the corresponding period of last year. Gross profit margin decreased from 35.33% to 2.94% during the period under review.

Investments

During the current period the stock market started showing signs of improvements after a long slump. Although there has been a sustained diminution in the values of our investments based on stock market pricing, however the underlying values of these investments are still robust. The management feels that this diminution is not of permanent nature and it would not be appropriate to write off this reduction in the profit and loss account of the company because we expect the reversal of these values in a short time horizon. The effect of this has been taken in the equity of the company, but a permanent loss has not been booked. This is a deviation from the strict application of International Accounting Standards, however, the management has a firm opinion that application of IAS rules will distort the correct position of the company presented to the shareholders.

Total investment appearing in long term and short term classification as on 30th June 2009 were Rs.870.887 million and Rs. 200.391 million respectively as compared to Rs. 917.771 million and Rs. 407.578 million respectively, as at 30th September 2008.

Overall Results

The overall operations resulted in a net loss of Rs. 691.829 million as compared to net loss of Rs. 362.092 million in the corresponding period of fiscal 2008.

Due to the sustained effect of adverse business environment in core areas of our operations, the company has been under a financial pressure which was further aggravated because of the global slump and extremely unusual economic conditions worldwide.


The management is cognizant of the fact that major cost reductions and re-profiling of company's debt structure is of primary importance. We feel that with 40 years of experience and history of extremely efficient operations, our market positioning and underlying value of our core assets, this temporary phase of adversity will be comfortably met. The rationalization of operations is underway which will yield major cost reductions. A major debt re-profiling exercise is also underway and expected to be completed shortly.

Future Outlook

In the present uncertain conditions it is the most difficult job to make categorical statements on the future outlook of any business. Any predictions and projections for an industry relying on agricultural raw materials are even more difficult due to the vagaries of weather and climatic conditions. A number of our operational capabilities are interlinked with the production results of our core business, sugar manufacturing. We have taken a number of remedial and protective measures to insulate the company from the impact of global economic meltdown. On the positive side the sugar commodity prices are firm and are expected to improve further, which would result in positive contribution to company's earnings. Our positioning the industry as one of the largest integrated unit gives a competitive edge over other manufacturers. We intend to leverage this

competitive edge and operate at highest efficiency to cater for any further negative impacts. The decision of the Government to allow marketing of ethanol as motor vehicle fuel on trial basis of ethanol would help to improve the local demand. While sugar and ethanol business is expected to do better in the coming months, textile business will remain under pressure. However our buying strategy for cotton has resulted in adequate raw material at lower prices and this will give us some opportunity to minimize the operational losses in the remaining months. Our alternate energy plant will continue to positively contribute to the revenues.

On behalf of the Board



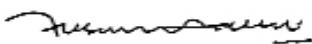
Ahsan M. Saleem
Chief Executive Officer

August 08, 2009

CONDENSED INTERIM BALANCE SHEET AS AT JUNE 30, 2009 (UN-AUDITED)

	Note	June 30, 2009 (Rupees in thousand)	September 30, 2008
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
80,000,000 (September 30, 2008: 80,000,000) ordinary shares of Rs 10 each		800,000	800,000
50,000,000 (September 30, 2008: 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			
69,523,798 (September 30, 2008: 69,523,798) ordinary shares of Rs 10 each		695,238	695,238
Reserves		714,072	1,084,562
Accumulated loss		(851,364)	(159,546)
		557,946	1,620,254
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		2,002,944	2,043,827
NON-CURRENT LIABILITIES			
Long term finances	6	1,967,902	2,062,440
Liabilities against assets subject to finance lease		221,498	285,427
Employees' retirement benefits		14,017	11,029
Deferred income		6,915	8,799
		2,210,332	2,367,695
CURRENT LIABILITIES			
Current portion of long term liabilities		691,148	1,026,316
Short term borrowings - secured		4,797,801	4,110,840
Trade and other payables		923,070	884,510
Accrued finance cost		424,187	315,482
		6,836,206	6,337,148
Liabilities directly associated with non-current assets classified as held for sale	11	31,555	37,864
		6,867,761	6,375,012
CONTINGENCIES AND COMMITMENTS	7	11,638,983	12,406,788

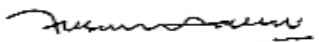
The annexed notes 1 to 17 form an integral part of this condensed interim financial information.


Chief Executive


Chairman

CONDENSED INTERIM BALANCE SHEET AS AT JUNE 30, 2009 (UN-AUDITED)

	Note	June 30, 2009 (Rupees in thousand)	September 30, 2008
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	8	5,837,198	5,304,266
Intangible assets		1,772	1,994
Assets subject to finance lease		547,909	335,078
Capital work-in-progress		522,688	1,284,215
Biological assets		6,963	6,248
Investments - related parties	9	870,887	917,771
Long term loans, advances, deposits and prepayments		279,930	287,246
		8,067,347	8,136,818
 CURRENT ASSETS			
Stores, spares and loose tools		101,657	96,873
Stock-in-trade		1,334,846	1,271,798
Trade debts		209,540	120,258
Investments	10	200,391	407,578
Loans, advances, deposits, prepayments and other receivables		148,005	187,575
Cash and bank balances		97,834	346,394
		2,092,273	2,430,476
Non-current assets held for sale	11	1,479,363	1,839,494
		3,571,636	4,269,970
		11,638,983	12,406,788


Chief Executive


Chairman

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE QUARTER AND NINE MONTHS ENDED JUNE 30, 2009 (UN-AUDITED)

	Note	Quarter ended		Nine months ended	
		June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008
(Rupees in thousand)					
Continuing Operations:					
Sales	12.1	1,065,908	2,398,783	4,290,913	5,221,362
Cost of sales	12.2	(1,006,761)	(1,990,937)	(3,761,579)	(4,621,221)
Gross profit		59,147	407,846	529,334	600,141
Administrative expenses		(42,879)	(29,163)	(160,806)	(136,799)
Distribution and selling costs		(27,741)	(41,879)	(95,160)	(111,690)
Other operating expenses		(3,206)	(55,323)	(37,320)	(107,237)
Other operating income		98,505	13,966	166,622	59,532
Profit from operations		83,826	295,447	402,670	303,947
Finance cost		(296,609)	(231,468)	(950,202)	(611,677)
(Loss) / profit before taxation		(212,783)	63,979	(547,532)	(307,730)
Taxation		(1,770)	14,700	(10,074)	-
(Loss) / profit for the period from continuing operations		(214,553)	78,679	(557,606)	(307,730)
Discontinued Operations:					
Loss for the period from discontinued operations		(49,290)	(3,200)	(134,223)	(54,362)
Loss for the period		(263,843)	75,479	(691,829)	(362,092)
(Loss) / earning per share from continuing operations					
- basic	13 Rupees	(3.09)	1.13	(8.02)	(4.43)
- diluted	13 Rupees	(3.09)	1.13	(8.02)	(4.43)
(Loss) per share from discontinued operations					
- basic	13 Rupees	(0.71)	(0.05)	(1.93)	(0.78)
- diluted	13 Rupees	(0.71)	(0.05)	(1.93)	(0.78)

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


Chief Executive

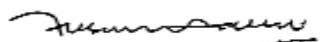

Chairman

CONDENSED INTERIM CASH FLOW STATEMENT


FOR THE NINE MONTHS ENDED JUNE 30, 2009 (UN-AUDITED)

	Note	Nine months ended	
		June 30, 2009	June 30, 2008
		(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from / (used in) operations	14	582,446	(175,136)
Finance cost paid		(842,374)	(542,092)
Taxes paid		(20,191)	(5,769)
Employees' retirement benefits paid		(4,533)	(3,229)
Net decrease / (increase) in long term advances, loans, deposits and prepayments		9,125	(190,806)
Net cash used in operating activities		(275,527)	(917,032)
Cash flows from investing activities			
Fixed capital expenditure		(406,642)	(501,574)
Net decrease / (Increase) in investment		18,449	(248,770)
Dividend received		7,694	11,365
Income from bank deposits received		33,074	-
Sale proceeds from sale of property, plant and equipment		185,554	6,415
Net cash used in investing activities		(161,871)	(732,564)
Cash flows from financing activities			
Disbursement of long term finances		200,000	1,403,000
Repayment of long term finances		(214,790)	(335,091)
Net increase in short term borrowings - secured		288,141	362,139
Finance lease liabilities - net		(84,513)	(91,663)
Dividend paid		-	(57,936)
Net cash generated from financing activities		188,838	1,280,449
Net decrease in cash and cash equivalents		(248,560)	(369,147)
Cash and cash equivalents at the beginning of the period		346,394	493,241
Cash and cash equivalents at the end of the period		97,834	124,094

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



 Chief Executive



 Chairman

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED JUNE 30, 2009 (UN-AUDITED)

(Rupees in thousand)

	Reserves											Un-appropriated profit	Total
	Capital Reserve				Revenue Reserve				Equity Investment Market value equalization	Sub - Total	Total		
	Share Capital	Reserve for bonus shares	Share premium	Fair Value reserve	Difference of capital under scheme of arrangement of merger	Sub - Total	General	Dividend Equalization					
Balance as on September 30, 2007	579,365	-	243,282	269,997	155,930	669,209	526,479	22,700	83,000	632,179	1,301,388	704,393	2,585,146
Fair value gain during the period	-	-	-	76,454	-	76,454	-	-	-	-	-	-	76,454
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	-	-	-	-	-	-	-	-	-	-	11	11
Transfer to profit and loss account on disposal of investment	-	-	-	1,434	-	1,434	-	-	-	-	1,434	-	1,434
Permanent diminution adjusted on derecognition	-	-	-	(1,443)	-	(1,443)	-	-	-	-	(1,443)	-	(1,443)
Transfers from general reserve for issue of bonus shares	-	115,873	-	-	-	115,873	(115,873)	-	-	(115,873)	-	-	-
Final dividend for the year ended September 30, 2007 - Rs 1 per share	-	-	-	-	-	-	-	-	-	-	-	(57,936)	(57,936)
Bonus shares issued during the period	115,873	(115,873)	-	-	-	(115,873)	-	-	-	-	(115,873)	-	-
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	(362,092)	(362,092)
Balance as on June 30, 2008	695,238	-	243,282	346,442	155,930	745,654	410,606	22,700	83,000	516,306	1,261,960	284,376	2,241,574
Balance as on September 30, 2008	695,238	-	243,282	169,044	155,930	568,256	410,606	22,700	83,000	516,306	1,084,562	(159,546)	1,620,254
Fair value gain during the period	-	-	-	(370,490)	-	(370,490)	-	-	-	-	(370,490)	-	(370,490)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	-	-	-	-	-	-	-	-	-	-	11	11
Loss for the period	-	-	-	-	-	-	-	-	-	-	-	(691,829)	(691,829)
Balance as on June 30, 2009	695,238	-	243,282	(201,446)	155,930	197,766	410,606	22,700	83,000	516,306	714,072	(851,364)	557,946

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



Chief Executive



Chairman

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE QUARTER AND NINE MONTHS ENDED JUNE 30, 2009 (UN-AUDITED)**

1. The company and its operations

The company is incorporated in Pakistan and is listed on Karachi, Lahore and Islamabad Stock Exchanges. It is principally engaged in growing of sugarcane; manufacture, purchase and sale of sugar, ethanol, building material, yarn, industrial scale steel equipment and engaged in generation and sale of electricity. The company has its principal manufacturing facilities at Jhang and a satellite manufacturing facility at Bhone. The registered office of the company is situated in Lahore.

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, 2008.

4. Use of estimates and judgments

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Estimates and judgments used by the management of the company in preparation of condensed interim financial information are same as those in preparation of preceding annual published financial statements for the year ended September 30, 2008 except for the value of mature sugarcane crops which is based upon estimated average yield of 348 (September 30, 2008: 611) mounds per acre.

5. The provision for taxation for the nine months ended June 30, 2009 has been made on an estimated basis.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE QUARTER AND NINE MONTHS ENDED JUNE 30, 2009 (UN-AUDITED)**

	June 30, 2009	September 30, 2008
	(Rupees in thousand)	
6. Long term finances		
Opening balance	2,930,753	2,245,822
Add: Disbursements during the period	200,000	1,433,000
	3,130,753	3,678,822
Less: Repayments during the period	(212,160)	(514,757)
Transferred to short term borrowings	(398,820)	(211,068)
Classified as held for sale	-	(22,244)
	2,519,773	2,930,753
Less: Current portion shown under current liabilities	(551,871)	(868,313)
	1,967,902	2,062,440

7. Contingencies and commitments

7.1 Contingencies

The company has issued following guarantees:

- (i) Bank guarantee of Rs 86.50 million (September 2008: Rs 86.50 million) in favor of Sui Northern Gas Pipelines Limited against performance of contracts.
- (ii) Cross corporate guarantee in favour of Allied Bank Limited to secure long term finance facility availed by the company's associated undertaking, Shakarganj Food Products Limited of Rs 467 million (September 2008: 467 million).
- (iii) The company has issued a post dated cheque in favour of the Collector of Customs against custom duty clearance in respect of import of plant and machinery amounting to Rs 5.040 million (September 2008: Rs 7.680 million).

7.2 Commitments

The company has the following commitments in respect of:

- (i) Letters of credit other than capital expenditure Rs 11.50 million (September 2008: Rs 56.721 million).
- (ii) Contracts for capital expenditure amounting to Rs 87.36 million (September 2008: Rs 273.202 million).
- (iii) Contracts for acquisition of intangible assets (computer software) amounting to Rs 20 million (September 2008: Rs 20 million).
- (iv) The amount of future payments under operating leases and the period in which these payments will become due are as follows:

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE QUARTER AND NINE MONTHS ENDED JUNE 30, 2009 (UN-AUDITED)**



	Note	June 30, 2009 (Rupees in thousand)	September 30, 2008
Not later than one year		14,850	25,749
Later than one and not later than five years		28,142	96,509
Later than five years		-	5,802
		42,992	128,060
8. Property, Plant and Equipment			
Opening book value		5,304,266	5,982,153
Add: Additions during the period	8.1	880,548	530,551
Add: Transferred from non-current assets held for sale		60,893	-
Add: Revaluations during the period		-	203,623
		6,245,707	6,716,327
Less: Disposals during the period (at book value)		108,431	2,685
Depreciation charged during the period		300,078	357,122
Classified as held for disposal (at book value)		-	1,005,992
Impairment charged during the period		-	46,262
		408,509	1,412,061
Closing book value		5,837,198	5,304,266
8.1 Additions during the period			
Land		10	30,533
Building on freehold land		12,452	33,583
Plant and machinery		750,351	436,957
Tools and equipment		902	1,923
Laboratory equipment		1,682	687
Water, electric and weighbridge equipments		108,711	6,105
Furniture and fixtures		455	2,991
Office equipment		962	1,454
Vehicles		4,947	16,309
Arms and ammunition		-	9
Library books		77	-
		880,548	530,551
8.2 Assets disposed off during the period include assets pertaining to the Engineering Work Shop at Dallowal Faisalabad, which were sold to Crescent Steel and Allied Products Limited against consideration received in cash amounting to Rupees 117.126 million. Capital gain relating to this transaction has been shown in other operating income.			
9. Investments - related parties			
Available for sale	9.1	870,887	917,771
		870,887	917,771

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE QUARTER AND NINE MONTHS ENDED JUNE 30, 2009 (UN-AUDITED)**

	Note	June 30, 2009 (Rupees in thousand)	September 30, 2008
9.1 Available for sale			
At cost:			
Subsidiary company		243,757	819,303
Associated companies	9.2	631,178	69,529
Others		2,200	2,200
		877,135	891,032
Add: Cumulative fair value (loss) / gain		(1,048)	31,939
Less: Cumulative impairment losses recognized		(5,200)	(5,200)
Fair value gain		(6,248)	26,739
		870,887	917,771

9.2 During the period, the status of Shakarganj Foods Products Limited (SFPL) has changed from subsidiary to associate as shareholding has reduced from 53% to 45% due to issuance of right shares not taken up by the company.

10. Short term investments

Available for sale	10.1	186,782	378,959
Held for trading		13,609	28,619
		200,391	407,578

10.1 Available for sale

At cost:			
Associated companies		44	44
Others		265,571	265,541
		265,615	265,585
Add: Cumulative fair value (loss)/gain		(78,833)	113,374
Less: Cumulative impairment losses recognized	10.2	-	-
Fair value gain		(78,833)	113,374
		186,782	378,959

10.2 Impairment losses

Opening balance		-	35,634
Add: transferred from long term investments		-	-
Add: impairment loss recognized during the period		-	-
Less: impairment loss adjusted upon derecognition of investments		-	(1,443)
Less: impairment loss for non-current assets held for sale		-	(34,191)
Closing balance		-	-

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE QUARTER AND NINE MONTHS ENDED JUNE 30, 2009 (UN-AUDITED)**

11. Non-current assets held for sale and discontinued operations

The non current assets held for sale and the liabilities directly associated with non-current assets held for sale classified as held for sale under IFRS 5 'Non Current Assets Held For Sale and Discontinued Operations' in their respective categories are summarized hereunder:

	June 30, 2009	September 30, 2008
	(Rupees in thousand)	
(a) Non-current assets classified as held for sale		
Shakarganj Farms (Private) Limited	1,009,556	1,224,392
Investment in subsidiary and associate company at market value	469,807	615,102
	1,479,363	1,839,494
(b) Liabilities directly associated with non-current assets classified as held for sale		
Shakarganj Farms (Private) Limited	31,555	37,864

A breakup of the constituents of non current assets held for sale and discontinued operations is given as follows:

(i) Shakarganj Farms (Private) Limited

The assets and liabilities related to Shakarganj Farms (previously part of the sugar segment) have been presented as held for sale following the approval of the management of SML and shareholders in September 2008 to incorporate SML Farms as a new company namely Shakarganj Farms (Private) Limited in consideration for shares. The completion for the transaction is expected by the end of this financial year.

	June 30, 2009	September 30, 2008
	(Rupees in thousand)	
Non-current assets classified as held for sale		
Property, plant and equipment	955,589	1,005,992
Assets subject to finance lease	-	5,936
Capital work-in-progress	2,979	-
Long term advances and deposits	-	1,809
Stock in trade	8,146	-
Stores, spares and loose tools	2,284	938
Trade Debts	2,449	-
Biological assets	26,157	153,862
Loans, advances, deposits, prepayments and other receivables	11,109	55,819
Cash and Bank balances	843	36
	1,009,556	1,224,392
Liabilities directly associated with non-current assets classified as held for sale		
Long term finances	12,692	11,700
Current portion of long term liabilities:		
Long term finances	6,922	10,544
Liabilities against assets subject to finance lease	-	1,859
Creditors, accrued and other liabilities	11,941	12,884
Accrued finance cost	-	877
	31,555	37,864

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE QUARTER AND NINE MONTHS ENDED JUNE 30, 2009 (UN-AUDITED)**

	Quarter ended		Nine months ended	
	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008
	(Rupees in thousand)			
Analysis of the result of discontinued operations				
Loss from agricultural activities	(46,023)	(691)	(126,470)	(46,104)
Expenses				
Administrative expenses	(3,299)	(2,579)	(8,931)	(8,325)
Finance cost	(851)	(5)	(2,581)	(133)
Other operating income	(4,150) 883	(2,584) 75	(11,512) 3,759	(8,458) 200
Loss before taxation from discontinued operations	(49,290)	(3,200)	(134,223)	(54,362)
Taxation	-	-	-	-
Loss for the period from discontinued operations	(49,290)	(3,200)	(134,223)	(54,362)

(ii) Investment in subsidiary and associate companies - at market value

	June 30, 2009	September 30, 2008
	(Rupees in thousand)	
Subsidiary company - Quoted		
Safeway Mutual Fund Limited		
29,215,143 (September 30, 2008: 29,215,143) fully paid ordinary shares of Rs 10 each with cost of Rs 290,792 thousand	314,063	379,797
Associated companies - Quoted		
Asian Stock Fund Limited		
37,528,673 (September 30, 2008: 37,528,673) fully paid ordinary shares of Rs 10 each with cost of Rs in 334,770 thousand	155,744	235,305
	469,8047	615,102

The management remains committed to its plan of disposing of these investments at a price that is fair by the end of this financial year. Accordingly these investments are shown under the Non Current Assets Held For Sale under IFRS 5 'Non Current Assets Held For Sale and Discontinued Operations'.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER AND NINE MONTHS ENDED JUNE 30, 2009 (UN-AUDITED)

	Quarter ended		Nine months ended	
	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008
13. Earning per share				
13.1 Basic earnings per share				
Continued operations				
Loss for the period from continuing operations	Rupees (214,553,000)	78,679,000	(557,606,000)	(307,730,000)
Weighted average number of ordinary shares in issue during the period	Number 69,523,798	69,523,798	69,523,798	69,523,798
Loss/(earning) per share - basic	Rupees (3.09)	1.13	(8.02)	(4.43)
Discontinued operations				
Loss for the period from discontinued operations	Rupees (49,290,000)	(3,200,000)	(134,223,000)	(54,362,000)
Weighted average number of ordinary shares in issue during the period	Number 69,523,798	69,523,798	69,523,798	69,523,798
Loss per share - basic	Rupees (0.71)	(0.05)	(1.93)	(0.78)

13.2 Diluted earnings per share

Diluted earnings 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 has a commitment to convert 1,000 preference shares into 167 ordinary shares of Rs 10 each. For the purposes of computing the diluted EPS the convertible preference shares are assumed to have been converted into ordinary shares, and the loss is adjusted to eliminate the preference dividend.

	Quarter ended		Nine months ended	
	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008
Continued operations				
Loss for the period from continuing operations	Rupees (214,553,000)	78,679,000	(557,606,000)	(307,730,000)
Preference dividend on convertible preference shares	Rupees 7,327,175	7,327,175	14,654,351	14,654,351
Loss used to determine diluted earnings per shares	Rupees (207,225,825)	86,006,175	(542,951,649)	(293,075,649)
Weighted average number of ordinary shares in issue during the period	Number 69,523,798	69,523,798	69,523,798	69,523,798
Assumed conversion of convertible preference shares into ordinary shares	Number 5,774,108	5,774,108	5,774,108	5,774,108
Weighted average number of ordinary shares for diluted earnings per share	Number 75,297,906	75,297,906	75,297,906	75,297,906
Loss per share - diluted	Rupees (2.75)	1.14	(7.21)	(3.89)

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

Discontinued operations

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

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE QUARTER AND NINE MONTHS ENDED JUNE 30, 2009 (UN-AUDITED)**



	Nine months ended	
	June 30, 2009	June 30, 2008
	(Rupees in thousand)	
14. Cash generated from operating activities		
Loss before taxation	(681,755)	(362,092)
Adjustments for:		
Depreciation in / amortization on:		
- property, plant and equipment	300,078	264,353
- assets subject to finance lease	26,384	24,723
- intangible assets	222	255
- deferred income	(1,884)	(1,053)
Profit on sale of property, plant and equipment	(77,123)	(3,583)
Profit on sale of biological assets	-	-
Impairment of investments classified as available for sale	-	2,792
Gain on sale of investments	(4,623)	(5,375)
Unrealized loss on investments held for trading	15,050	19,039
Interest from bank deposits	(28,243)	-
Provision for employees' retirement benefits	7,521	7,802
Mark up earned on long term loan to an associate	-	-
Liabilities written back	-	-
Dividend income	(8,371)	(8,005)
Loss from agricultural activities classified under discontinued operations	126,470	92,872
(Gain) on marked to market valuation of interest rate swap	(5,666)	-
Finance cost	950,202	611,677
	1,300,017	1,005,497
Profit before working capital changes	618,262	643,405
Effect on cash flow due to working capital changes:		
(Increase) in stores and spares	(6,130)	(104,408)
(Increase) in stock in trade	(71,194)	(756,179)
(Increase) in trade debts	(91,731)	(165,349)
Decrease / (Increase) in biological assets	520	(52,576)
Decrease / (increase) in loans, advances, deposits, prepayments and other receivables	89,436	(99,949)
Increase in trade and other payables	43,283	359,920
	(35,816)	(818,541)
	582,446	(175,136)

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE QUARTER AND NINE MONTHS ENDED JUNE 30, 2009 (UN-AUDITED)**

Nine months ended	
June 30, 2009	June 30, 2008

(Rupees in thousand)

15. Transactions with related parties


Relationship with the company	Nature of transactions		
i. Subsidiary	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	7,304	-
ii. Associated undertakings	Mark up charged to associated company	23,677	-
	Dividend received	3,848	5,128
	Purchase of goods and services	52,174	80,606
	Sale of goods	4,382	3,732
	Sale of fixed asset	117,488	-
	Sale of shares	20,873	-
	Share of common expenses	4,488	-
iii. Other related parties	Expenses incurred on behalf of the company	-	2,524
iv. Post employment benefit plans	Expense charged in respect of retirement benefit plans	11,914	5,201
v. Key Management Personnel	Salaries and other employee benefits	37,028	17,355

16. Date of authorisation for issue

This condensed interim financial information was authorised for issue on August 08, 2009 by the Board of Directors of the company.

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

**CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2009**

CONSOLIDATED INTERIM BALANCE SHEET AS AT JUNE 30, 2009 (UN-AUDITED)

	Note	June 30, 2009	September 30, 2008
(Rupees in thousand)			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
80,000,000 (September 30, 2008: 80,000,000)			
ordinary shares of Rs 10 each		800,000	800,000
50,000,000 (September 30, 2008: 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			
69,523,798 (September 30, 2008: 69,523,798)			
ordinary shares of Rs 10 each		695,238	695,238
Share deposit money		-	200,000
Reserves		615,700	910,696
Minority Interest		223,204	418,840
Accumulated loss		(1,179,983)	(385,935)
		354,159	1,838,839
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		2,002,944	2,043,827
NON-CURRENT LIABILITIES			
Long term finances	7	1,985,724	2,264,785
Long term advances		-	15,000
Liabilities against assets subject to finance lease		221,498	292,383
Employees' retirement benefits		14,017	19,837
Deferred taxation		8,500	8,500
Deferred income		6,915	8,799
		2,236,654	2,609,304
CURRENT LIABILITIES			
Current portion of long term liabilities		692,940	1,160,271
Short term borrowings - secured		4,797,801	4,110,840
Trade and other payables		935,992	1,207,177
Accrued finance cost		424,187	336,464
		6,850,920	6,814,752
Liabilities directly associated with non-current assets classified as held for sale	12	1,880	3,556
		6,852,800	6,818,308
CONTINGENCIES AND COMMITMENTS	8	11,446,557	13,310,278

The annexed notes 1 to 18 form an integral part of this consolidated interim financial information.


Chief Executive


Chairman

CONSOLIDATED INTERIM BALANCE SHEET AS AT JUNE 30, 2009 (UN-AUDITED)

	Note	June 30, 2009 (Rupees in thousand)	September 30, 2008
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	9	6,792,785	7,281,263
Intangible assets		163,767	173,497
Assets subject to finance lease		547,909	350,361
Capital work-in-progress		526,455	1,302,030
Biological assets		6,963	8,318
Investments - related parties	10	328,560	229,612
Long term loans, advances, deposits and prepayments		281,041	125,350
		8,647,480	9,470,431
 CURRENT ASSETS			
Biological assets		26,156	151,792
Stores, spares and loose tools		103,941	153,304
Stock-in-trade		1,342,992	1,356,107
Trade debts		211,989	159,009
Investments	11	202,063	442,315
Loans, advances, deposits, prepayments and other receivables		162,824	318,946
Cash and bank balances		102,978	401,253
		2,152,943	2,982,726
 Non-current assets held for sale	 12	 646,134	 857,121
		2,799,077	3,839,847
		11,446,557	13,310,278



 Chief Executive

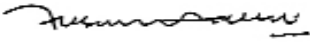


 Chairman


CONSOLIDATED INTERIM PROFIT AND LOSS ACCOUNT FOR THE QUARTER AND NINE MONTHS ENDED JUNE 30, 2009 (UN-AUDITED)

	Note	Quarter ended		Nine months ended	
		June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008
(Rupees in thousand)					
Continuing Operations:					
Sales	13.1	1,063,967	2,705,419	4,301,658	6,091,180
Cost of sales	13.2	(1,006,761)	(2,287,329)	(3,761,579)	(5,466,760)
Gross profit		57,206	418,090	540,079	624,420
Administrative expenses		(87,150)	(45,500)	(223,390)	(162,306)
Distribution and selling costs		(27,744)	(113,515)	(95,163)	(302,242)
Other operating expenses		(30,181)	(67,078)	(179,483)	(193,259)
Other operating income		93,339	25,085	230,196	95,372
Profit from operations		5,470	217,082	272,239	61,985
Finance cost		(296,610)	(257,551)	(950,206)	(664,956)
Share of income Income (Loss) from associate		(29,984)	-	(78,530)	2,761
(Loss) / profit before taxation		(321,124)	(40,469)	(756,497)	(600,210)
Taxation		(2,900)	12,824	(12,179)	(4,848)
(Loss) / profit for the period from continuing operations		(324,024)	(27,645)	(768,676)	(605,058)
Discontinued Operations:					
Income (loss) for the period from discontinued operations		1,595	-	(62,660)	-
Loss for the period		(322,429)	(27,645)	(831,336)	(605,058)
Attributable to:					
- Equity holders of the parent		(313,868)	(10,616)	(794,061)	(587,366)
- Minority interest		(8,561)	(17,029)	(37,275)	(17,692)
		(322,429)	(27,645)	(831,336)	(605,058)
Loss per share from continuing operations					
- basic	Rupees	(4.66)	(0.40)	(11.06)	(8.70)
- diluted	Rupees	(4.66)	(0.40)	(11.06)	(8.70)
(Loss)/earninig per share from discontinued operations					
- basic	Rupees	0.02	(0.05)	(0.90)	-
- diluted	Rupees	0.02	(0.05)	(0.90)	-

The annexed notes 1 to 18 form an integral part of this consolidated interim financial information.



Chief Executive



Chairman

CONSOLIDATED INTERIM CASH FLOW STATEMENT FOR THE NINE MONTHS ENDED JUNE 30, 2009 (UN-AUDITED)

		Nine months ended	
		June 30, 2009	June 30, 2008
		(Rupees in thousand)	
Cash flows from operating activities			
	Cash generated from / (used in) operations	14 662,158	(251,017)
	Finance cost paid	(842,418)	(606,678)
	Taxes paid	(17,326)	(6,140)
	Employees' retirement benefits paid	(4,533)	(3,229)
	Net decrease / (increase) in long term advances, loans, deposits and prepayments	(31,475)	(50,558)
	Net cash used in operating activities	(233,594)	(917,622)
Cash flows from investing activities			
	Fixed capital expenditure	(411,026)	(676,499)
	Investment net	(60,897)	28,706
	Acquisition of subsidiaries net of cash acquired	-	(215,635)
	Dividend received	31,138	11,365
	Income from bank deposits received	19,599	-
	Sale proceeds from sale of livestock	-	-
	Sale proceeds from sale of property, plant and equipment	189,322	7,284
	Net cash used in investing activities	(231,864)	(844,779)
Cash flows from financing activities			
	Disbursement of long term finances	200,000	1,403,000
	Share deposit money received	-	449,500
	Repayment of long term finances	(216,582)	(414,320)
	Repayment of long term advances	(15,000)	-
	Net increase in short term borrowings - secured	288,141	194,623
	Finance lease liabilities - net	(84,510)	(92,237)
	Dividend paid	(4,866)	(57,936)
	Net cash generated from financing activities	167,183	1,482,630
	Net decrease in cash and cash equivalents	(298,275)	(279,771)
	Cash and cash equivalents at the beginning of the period	401,253	510,104
	Cash and cash equivalents at the end of the period	102,978	230,333

The annexed notes 1 to 18 form an integral part of this consolidated interim financial information.



 Chief Executive



 Chairman

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED JUNE 30, 2009 (UN-AUDITED)

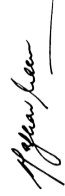
(Rupees in thousand)

	Attributable to equity holders of the parent											Total	Minority Interest	Total Equity			
	Capital Reserves					Revenue Reserves					Un-appropriated profit						
	Share capital	Share deposit money	Reserve 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, 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)
Reserve for issuance of bonus shares	-	-	115,873	-	-	-	-	115,873	(115,873)	-	-	(115,873)	-	-	-	-	-
Bonus Share issued during 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 the date of acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	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)
Fair value gain during the period	-	-	-	-	-	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	695,238	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
Balance as on September 30, 2008	695,238	200,000	-	243,282	97,132	(101,954)	155,930	394,390	410,606	22,700	83,000	516,306	910,696	(385,935)	1,419,999	418,840	1,838,839
Disposal of subsidiary - Shakarganj food product limited	-	(200,000)	-	-	-	-	-	-	-	-	-	-	-	-	(200,000)	(141,233)	(341,233)
Transfer from surplus on revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	11	11	2,349	2,349
Merger of subsidiary - ACML & SFL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share in capital reserve of associates	-	-	-	-	(12,033)	-	-	(12,033)	-	-	-	-	(12,033)	-	(12,033)	-	(12,033)
Dividend for the period by subsidiary company - Safeway mutual fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,866)	(4,866)
Fair value loss during period	-	-	-	-	-	(282,963)	-	(282,963)	-	-	-	-	(282,963)	-	(282,963)	(14,611)	(297,574)
Loss for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	(794,059)	(794,059)	(37,275)	(831,334)
Balance as on June 30, 2009	695,238	-	-	243,282	85,099	(384,917)	155,930	99,394	410,606	22,700	83,000	516,306	615,700	(1,179,963)	130,955	223,204	354,159

The annexed notes 1 to 19 form an integral part of these financial statements.



Chief Executive



Chairman

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER AND NINE MONTHS ENDED JUNE 30, 2009 (UN-AUDITED)

1. Legal status and nature of business

1.1 Constitution and ownership

The consolidated interim financial statements of the Shakarganj Group (the group) comprise of the financial statements of:

Shakarganj Mills Limited

Shakarganj Mills Limited (SML) (the “parent company”) was incorporated in Pakistan in September 1967 under the repealed Companies Act 1913, substituted later by the Companies Ordinance, 1984 and listed on Karachi, Lahore and Islamabad Stock Exchanges. The registered office of the company is situated in The Bank of Punjab Tower, Gulberg III, Lahore.

Safeway Mutual Fund Limited

Safeway Mutual Fund Limited (SWML) (a subsidiary) is a public limited company incorporated in May 1994 under the Companies Ordinance, 1984 and has been registered with Securities and Exchange Commission of Pakistan (SECP) as an Investment Company under the Investment Companies and Investment Advisors Rules, 1971 to carry on the business of a closed end investment company. The company is listed on the Karachi and Islamabad Stock Exchanges. The company has entered into an agreement with Safeway Fund Limited to act as its Assets Management Company. The company became a subsidiary of Shakarganj Mills Limited (the “parent company”) on July 20, 2007. The registered office of the company is situated in Karachi.

Safeway Fund Limited

Safeway Fund Limited (SFL) (a subsidiary) was incorporated in February 1992 as a private limited company under the Companies Ordinance, 1984 and was registered as an Investment Adviser under the Investment Companies and Investment Advisor Rules, 1971 which were repealed with effect from April 01, 2003 with the promulgation of NBFC (Establishment and Regulation) Rules, 2003. The company was converted into an unquoted public limited company in 1994. The company became a subsidiary of Shakarganj Mills Limited (the “parent company”) on March 19, 2008. The registered office of the company is situated in Karachi.

1.2 Activities of the group

Shakarganj Mills Limited (the parent company) and its subsidiaries, Safeway Mutual Fund Limited and Safeway Fund Limited (together, “the group”) are engaged in the following business:

- manufacture, purchase and sale of sugar, ethanol, building material, yarn, industrial scale steel equipment and engaged in generation and sale of electricity through the parent company, Shakarganj Mills Limited;
- investments in the shares of listed companies, through the subsidiary company, Safeway Mutual Fund Limited; and
- rendering investment advisory services for mutual funds, through the subsidiary companies Safeway Fund Limited.

The group has its principal manufacturing facilities at Jhang, Bhone and Dargai Shah. The group's investment advisory companies and the mutual fund operations are based in Karachi.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER AND NINE MONTHS ENDED JUNE 30, 2009 (UN-AUDITED)

1.3 Change in the group composition

- Shakarganj Food Products Limited (SFPL) being the subsidiary of Shakarganj Mills Limited was consolidated on September 30, 2008. Subsequent to the year end SFPL issued shares under the 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). Consequent to this, the company's shareholding in SFPL has reduced from 53% to 45%. In these interim financial statements SFPL has been treated as an associated undertaking as per International Financial Reporting Standard (IAS) 28 'Investment in Associates.
- Asian Capital Management Limited (ACML) being the subsidiary of Shakarganj Mills Limited was consolidated on September 30, 2008. Subsequent to the year end ACML was merged with Safeway Fund Limited (another subsidiary of Shakarganj Mills Limited under the scheme of arrangement as approved by SECP through an agreement dated December 31, 2008 with the company. There was no change in shareholding of SFL consequent to this merger which remains 75%. In these interim financial statements SFL has been consolidated accordingly.

2. Basis of preparation

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 Financial Reporting Standard (IFRS) IAS 34 'Interim Financial Reporting' as applicable in Pakistan as notified by the Securities and Exchange Commission of Pakistan. This condensed interim financial information do not include all of the information required for full financial statements and should be read in conjunction with the financial statements of the Company for the year ended September 30, 2008.

The comparative balance sheet presented in these financial statements has been extracted from the audited financial statements of the Company for the year ended September 30, 2008 whereas the comparative profit and loss account, statement of changes in equity and cash flow statement are stated from the unaudited condensed interim financial statements for the nine month ended June 30, 2008.

This condensed interim financial information has been presented in Pakistan Rupees, which is the functional currency of the Company and the figures are rounded off to the nearest thousand of rupees.

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, 2008.

4. Estimates

Estimates and judgments used by the management of the company in preparation of condensed interim financial information are same as those in preparation of preceding annual published financial statements for the year ended September 30, 2008 except for the value of mature sugarcane crops which is based upon estimated average yield of 348 (September 30, 2008: 611) mounds per acre.

5. Risk management policies

Risk management policies are consistent with those disclosed in the financial statements for the year ended September 30, 2008.

6. Taxation

The provision for taxation for the nine month ended June 30, 2009 has been made on an estimated basis.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER AND NINE MONTHS ENDED JUNE 30, 2009 (UN-AUDITED)

	June 30, 2009 (Rupees in thousand)	June 30, 2008
7. Long term finances		
Opening balance	3,263,648	2,639,051
Add: Disbursements during the period	200,000	1,433,000
	3,463,648	4,072,051
Less: Repayments during the period	(216,582)	(597,335)
Transferred to short term borrowings	(398,820)	(211,068)
Disposal of subsidiary SFPL	(310,651)	-
	2,537,595	3,263,648
Less: Current portion shown under current liabilities	(551,871)	(998,863)
	1,985,724	2,264,785

8. Contingencies and commitments

8.1 Contingencies

The company has issued following guarantees:

- (i) Bank guarantee of Rs 86.50 million (September 2008: Rs 86.50 million) in favour of Sui Northern Gas Pipelines Limited against performance of contracts.
- (ii) Cross corporate guarantee in favour of Allied Bank Limited to secure long term finance facility availed by the company's associated undertaking, Shakarganj Food Products Limited of Rs 467 million (September 2008: Rs 467 million).
- (iii) The company has issued a post dated cheque in favour of the Collector of Customs against custom duty clearance in respect of import of plant and machinery amounting to Rs 5.040 million (September 2008: Rs 7.680 million).

8.2 Commitments

The company has the following commitments in respect of:

- (i) Letters of credit other than capital expenditure Rs 11.50 million (September 2008: Rs 56.721 million).
- (ii) Contracts for capital expenditure amounting to Rs 87.36 million (September 2008: Rs 273.202 million).
- (iii) Contracts for acquisition of intangible assets (computer software) amounting to Rs 20 million (September 2008: Rs 20 million).
- (iv) The amount of future payments under operating leases and the period in which these payments will become due are as follows:

	June 30, 2009 (Rupees in thousand)	September 30, 2008
Not later than one year	14,850	25,749
Later than one and not later than five years	28,142	96,509
Later than five years	-	5,802
	42,992	128,060

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER AND NINE MONTHS ENDED JUNE 30, 2009 (UN-AUDITED)

	Note	June 30, 2009 (Rupees in thousand)	September 30, 2008
9. Property, plant and equipment			
Opening book value		7,281,263	6,793,062
Add: Additions during the period	9.1	904,334	761,763
Add: Revaluations during the period		-	203,623
		8,185,597	7,758,448
Less: Disposals during the period (at book value)		111,861	26,121
Depreciation charged during the period		311,692	404,802
Disposal of subsidiary		969,259	-
Impairment charged during the period		-	46,262
		1,392,812	477,185
Closing book value		6,792,785	7,281,263
9.1 Addition during the period			
Land		15,081	30,553
Building on freehold land		12,452	48,155
Plant and machinery		750,351	645,575
Tools and equipment		1,476	1,923
Laboratory equipment		1,682	791
Water, electric and weighbridge equipments		108,793	6,198
Furniture and fixtures		465	5,122
Office equipment		3,074	2,693
Vehicles		10,883	20,739
Arms and ammunition		-	9
Library books		77	5
		904,334	761,763
9.2 Assets disposed off during the period include assets pertaining to the Engineering Work Shop at Dallowal Faisalabad, which were sold to Crescent Steel and Allied Products Limited against consideration received in cash amounting to Rupees 117.126 million. Capital gain relating to this transaction has been shown in other operating income.			
10. Investments - related parties			
In equity instrument of associated companies	10.1	290,405	156,838
Available for sale	10.2	38,155	71,397
Held to maturity	10.3	-	1,377
		328,560	229,612

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER AND NINE MONTHS ENDED JUNE 30, 2009 (UN-AUDITED)

	Note	June 30, 2009 (Rupees in thousand)	September 30, 2008
10.1 In equity instruments of associated undertaking			
Cost		631,075	55,529
Brought forward amounts of post acquisition reserves and profits and negative goodwill recognized directly in profit and loss account		(250,108)	121,703
		380,967	177,232
Share of movement in reserve during period		(12,033)	(11,027)
Share of profit / (loss) for the period			
- before taxation		(78,529)	8,669
- provision for taxation		-	(10,345)
		(78,529)	(1,676)
		290,405	164,529
Dividend received during the period		-	(7,691)
		290,405	156,838
10.2 Available for sale			
At cost:			
Associated Companies		90,000	104,000
Others		2,200	2,200
		92,200	106,200
Add: Cumulative fair value (loss) / gain		(51,845)	(32,603)
Less: Cumulative impairment losses recognized		(2,200)	(2,200)
Fair value gain		(54,045)	(34,803)
		38,155	71,397
10.3 Held to maturity			
Certificates of investments		-	2,586
Less: Current portion shown under short term investment		-	(1,209)
		-	1,377
10.4 During the period, the status of Shakarganj Foods Products Limited (SFPL) has changed from subsidiary to associate as shareholding has reduced from 53% to 45% due to issuance of right shares not taken up by the company.			
11. Short term investments			
Available for sale	11.1	186,782	378,959
Held for trading		15,281	35,420
Held to maturity		-	27,936
		202,063	442,315

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER AND NINE MONTHS ENDED JUNE 30, 2009 (UN-AUDITED)

June 30, September 30,
2009 2008
(Rupees in thousand)

11.1 Available for sale

At cost:		
Associated companies	44	44
Others	265,541	265,541
	265,585	265,585
Add: Cumulative fair value (loss)/gain	(78,803)	113,374
Less: Cumulative impairment losses recognized	-	-
Fair value gain	(78,803)	113,374
	186,782	378,959

12. Non current assets held for sale and discontinued operations

The non current assets held for sale and the liabilities directly associated with non-current assets held for sale classified as held for sale under IFRS 5 'Non Current Assets Held For Sale and Discontinued Operations' in their respective categories are summarized hereunder:

(a) Non-current assets classified as held for sale

Subsidiary company acquired with a view to resale and classified as held for sale	490,390	621,816
Investment in associates at market value	155,744	235,305
	646,134	857,121

(b) Liabilities directly associated with non-current assets classified as held for sale

Shakarganj Farms (Pvt) Limited	1,880	3,556
	1,880	3,556

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER AND NINE MONTHS ENDED JUNE 30, 2009 (UN-AUDITED)

(Figures in thousand)

	Sugar			Bamboo			Bamboo Material			Engineering			Power			Investment subsidiaries			Total															
	2009	2008	2007	2009	2008	2007	2009	2008	2007	2009	2008	2007	2009	2008	2007	2009	2008	2007	2009	2008	2007													
13. Segment results																																		
Net sales	642.87	1,573.25	2,704.47	3,798.69	206.46	694.673	1,333.06	1,250.42	3,927	12,836	23,485	40,384	260,750	78,608	74,003	67,871	1,977	15,295	143,330	37,383	298,227	658,009	1,941	9,709	10,945	10,509	103,697	2,706.419	4,321.656	6,081.940				
Less: Cost of sales	(815.67)	(1,543.97)	(2,447.26)	(3,700.80)	(206.46)	(694.673)	(1,333.06)	(1,250.42)	(3,927)	(12,836)	(23,485)	(40,384)	(260,750)	(78,608)	(74,003)	(67,871)	(1,977)	(15,295)	(143,330)	(37,383)	(298,227)	(658,009)	(1,941)	(9,709)	(10,945)	(100,878)	(2,237.202)	(3,978.579)	(5,379.502)					
Gross profit	827.54	329.28	2,257.21	1,098.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	469.257	343.077	642.438				
Less: Administration expenses	(21.83)	(6.50)	(9.14)	(10.00)	(3.00)	(4.18)	(5.17)	(31.39)	(29.35)	(13.15)	(13.21)	(12.30)	(6.78)	(5.93)	(5.00)	(4.16)	(3.52)	(2.92)	(2.20)	(1.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)			
Less: Depreciation and amortisation	(22.29)	(24.53)	(80.38)	(108.20)	(30.86)	(30,137)	(10,083)	(15,700)	(30)	(12)	(1,053)	(1,424)	(3,341)	(2,433)	(20,687)	(26,722)	(40)	(65)	(2,032)	(6,450)	(1,536)	(78,844)	(205,546)	(46,732)	(8,428)	(62,895)	(18,133)	(14,684)	(189,935)	(31,853)	(44,944)			
Segment results	6.44	85.19	(57.78)	(80.03)	(77.65)	(30,170)	(10,070)	(30,450)	(62)	(12)	(242)	(1,265)	(1,699)	(7,415)	(26,543)	(26,762)	(40)	(65)	(2,032)	(6,450)	(1,536)	(78,844)	(205,546)	(46,732)	(8,428)	(62,895)	(18,133)	(14,684)	(189,935)	(31,853)	(44,944)			
13.1 Sales																																		
Local	666.85	1,622.60	2,648.07	3,698.30	34.63	675.50	117.97	1,92.24	4,679	15,163	28,748	48,511	257,489	200,277	726.40	633,849	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Export	2.329	4.67	2,056.20	1,100.39	16.03	638.66	1,072.72	1,168.95	4,808	7,673	5,740	1,174	5,000	11,740	19,835	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Inter segment	68.207	126.09	306.839	93,951	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Less: Commission to selling agents	(71.23)	(170.32)	(3,648.38)	(4,236.09)	(211.60)	(703.40)	(1,170.36)	(3,267.13)	(4,679)	(15,163)	(28,748)	(48,511)	(257,489)	(200,277)	(726.40)	(633,849)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Less: Bank & credit note chg.	74.634	187,255	3,381.02	(48,002)	5,000	6,602	(8,301)	(9,732)	700	1,717	4,777	6,340	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net sales	75.264	190,187	3,384.69	495,340	9,113	69,647	16,469	98,899	987	2,327	5,263	6,657	853	3,267	3,268	4,264	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Less: Commission to selling agents	(62.87)	(157,175)	(2,794.47)	(3,798.69)	(206.46)	(694.673)	(1,333.06)	(1,250.42)	(3,927)	(12,836)	(23,485)	(40,384)	(260,750)	(78,608)	(74,003)	(67,871)	(1,977)	(15,295)	(143,330)	(37,383)	(298,227)	(658,009)	(1,941)	(9,709)	(10,945)	(10,509)	(103,697)	(2,706.419)	(4,321.656)	(6,081.940)				
13.2. Cost of sales																																		
Raw materials consumed	2,262	11,028	19,832	3,430,306	10,860	252,956	60,363	70,141	3,977	2,284	15,327	16,508	227,224	169,336	60,376	607,376	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Stores, wages and other benefits	36,276	12,511	134,405	17,008	3,972	4,810	12,775	14,100	1,077	1,827	3,349	4,234	15,414	16,526	49,219	49,219	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Direct and indirect taxes	1,893	3,475	11,250	26,100	14,383	22,725	21,084	(47,698)	294	3,802	2,855	1,914	4,115	3,207	19,346	19,346	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Processing charges	1,000	944	2,947	5,600	66	878	899	1,306	63	75	91	220	(290)	388	2,740	2,740	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Repair and maintenance	900,665	944,841	2,947,627	6,600	66	878	899	1,306	63	75	91	220	(290)	388	2,740	2,740	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Wages and salaries	1,000	3,174	13,564	36,596	66	878	899	1,306	63	75	91	220	(290)	388	2,740	2,740	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Depreciation and amortisation	36	122	407	830	35	91	27	9	14	19	26	35	46	61	80	105	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Printing and stationery	2,872	1,862	6,281	9,100	1,000	1,200	1,500	1,800	2,100	2,400	2,700	3,000	3,300	3,600	3,900	4,200	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Repairs to assets and overhead expenses	97,353	97,373	202,336	12,625	12,625	15,775	17,875	17,875	17,875	17,875	17,875	17,875	17,875	17,875	17,875	17,875	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other factory overheads	261,247	266,602	2,754,426	4,320,023	12,625	297,035	67,363	686,138	3,367	16,459	16,602	257,005	237,480	744,469	704,651	5,320	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Opening work-in-process	(4,141)	(4,141)	(4,141)	(4,141)	(4,141)	(4,141)	(4,141)	(4,141)	(4,141)	(4,141)	(4,141)	(4,141)	(4,141)	(4,141)	(4,141)	(4,141)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Less: Closing work-in-process	(1,965,901)	(1,965,901)	(1,965,901)	(1,965,901)	(1,965,901)	(1,965,901)	(1,965,901)	(1,965,901)	(1,965,901)	(1,965,901)	(1,965,901)	(1,965,901)	(1,965,901)	(1,965,901)	(1,965,901)	(1,965,901)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost of sales	2,262	11,028	19,832	3,430,306	10,860	252,956	60,363	70,141	3,977	2,284	15,327	16,508	227,224	169,336	60,376	607,376	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Less: Commission to selling agents	(71.23)	(170.32)	(3,648.38)	(4,236.09)	(211.60)	(703.40)	(1,170.36)	(3,267.13)	(4,679)	(15,163)	(28,748)	(48,511)	(257,489)	(200,277)	(726.40)	(633,849)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Less: Bank & credit note chg.	74.634	187,255	3,381.02	(48,002)	5,000	6,602	(8,301)	(9,732)	700	1,717	4,777	6,340	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cost of sales	2,262	11,028	19,832	3,430,306	10,860	252,956	60,363	70,141	3,977	2,284	15,327	16,508	227,224	169,336	60,376	607,376	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Less: Commission to selling agents	(71.23)	(170.32)	(3,648.38)	(4,236.09)	(211.60)	(703.40)	(1,170.36)	(3,267.13)	(4,679)	(15,163)	(28,748)	(48,511)	(257,489)	(200,277)	(726.40)	(633,849)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Less: Bank & credit note chg.	74.634	187,255	3,381.02	(48,002)	5,000	6,602	(8,301)	(9,732)	700	1,717	4,777	6,340	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cost of sales	2,262	11,028	19,832	3,430,306	10,860	252,956	60,363	70,141	3,977	2,284	15,327	16,508	227,224	169,336	60,376	607,376	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Less: Commission to selling agents	(71.23)	(170.32)	(3,648.38)	(4,236.09)	(211.60)	(703.40)	(1,170.36)	(3,267.13)	(4,679)	(15,163)	(28,748)	(48,511)	(257,489)	(200,277)	(726.40)	(633,849)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Less: Bank & credit note chg.	74.634	187,255	3,381.02	(48,002)	5,000	6,602	(8,301)	(9,732)	700	1,717	4,777	6,340	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cost of sales	2,262	11,028	19,832	3,430,306	10,860	252,956	60,363	70,141	3,977	2,284	15,327	16,508	227,224	169,336	60,376	607,376	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Less: Commission to selling agents	(71.23)	(170.32)	(3,648.38)	(4,236.09)	(211.60)	(703.40)	(1,170.36)	(3,267.13)	(4,679)	(15,163)	(28,748)	(48,511)	(257,489)	(200,277)	(726.40)	(633,849)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Less: Bank & credit note chg.	74.634	187,255	3,381.02	(48,002)	5,000	6,602	(8,301)	(9,732)	700	1,717	4,777	6,340	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cost of sales	2,262	11,028	19,832	3,430,306	10,860	252,956	60,363	70,141	3,977	2,284	15,																							

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER AND NINE MONTHS ENDED JUNE 30, 2009 (UN-AUDITED)

	June 30, 2009 (Rupees in thousand)	June 30, 2008
14. Cash generated from operating activities		
Loss before taxation	(819,157)	(600,210)
Adjustments for:		
Depreciation in / amortization on:		
- property, plant and equipment	311,692	298,878
- assets subject to finance lease	26,384	25,299
- intangible assets	434	23,618
- deferred income	(1,884)	(1,053)
Profit on sale of property, plant and equipment	(77,461)	(3,399)
Profit on sale of biological assets		
Impairment of investments classified as available for sale	39,435	2,792
Loss (gain) on sale of investments	88,647	(5,375)
Unrealized loss on investments held for trading	(26,223)	18,952
Interest from bank deposits	(14,768)	-
Provision for employees' retirement benefits	7,521	7,802
Mark up earned on long term loan to an associate	-	-
Liabilities written back	-	-
Dividend income	(31,008)	(2,878)
Loss from agricultural activities classified under discontinued operations	126,470	54,362
Provision for accumulating compensated absences	-	583
Gain on disposal of subsidiary	(64,745)	(38,324)
Share of loss / (income) from associates	78,530	(2,761)
Loss on marked to market valuation of interest rate swap	(5,666)	-
Finance cost	950,245	664,956
	1,407,603	1,043,452
Profit before working capital changes	588,446	443,242
Effect on cash flow due to working capital changes:		
Decrease (Increase) in stores and spares	19,812	(116,884)
Increase in stock in trade	(97,136)	(817,862)
Increase in trade debts	(93,345)	(169,849)
Increase in biological assets	520	(14,066)
Decrease / (increase) in loans, advances, deposits, prepayments and other receivables	188,437	(129,676)
Increase (decrease) in trade and other payables	55,424	554,078
	73,712	(694,259)
	662,158	(251,017)

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND NINE MONTHS ENDED JUNE 30, 2009 (UN-AUDITED)**



Nine months ended	
June 30, 2009	June 30, 2008

(Rupees in thousand)

15. Transactions with related parties

Relationship with the company	Nature of transactions		
i. Associated undertakings	Mark up charged to associated company	23,677	10,623
	Dividend received	3,848	7,294
	Purchase of goods and services	52,174	80,606
	Sale of goods	4,382	3,732
	Sale of fixed asset	117,488	-
	Sale of shares	20,873	-
	Share of common expenses	4,488	-
ii. Other related parties	Expenses incurred on behalf of the company	-	2,524
iii. Post employment benefit plans	Expense charged in respect of retirement benefit plans	11,914	5,201
iv. Key Management Personnel	Salaries and other employee benefits	37,028	17,355

16. Detail of Subsidiaries

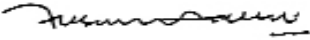
Safeway Mutual Fund Limited	June 30, 2008	64.25%	Pakistan
Safeway Fund Limited	June 30, 2008	75.00%	Pakistan

17. Date of authorization of issue

These consolidated interim financial information was authorized for issue on August 08, 2009 by the Board of Directors of the company.

18. Corresponding figures

Comparative figures have been rearranged, whenever necessary for the purpose of comparison.


Chief Executive


Chairman

