Shakarganj Mills Limited
Management House, Toba Tek Singh Road, Jhang - 35200, Pakistan
Tel: +92 47 763 1001 - 05 Fax: +92 47 763 1011 URL: http://www.shakarganj.com.pk

SML/KSE/ March 2014
28 May 2014

The General Manager,
The Karachi Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi

Dear Sir,

SUBJECT: FINANCIAL RESULTS FOR THE 2ND QUARTER AND SIX MONTHS PERIOD ENDED 31 MARCH 2014

We are pleased to inform you that the Board of Directors of Shakarganj Mills Limited in their meeting held on 28 May 2014 at Lahore have considered and approved the reviewed interim financial statements of Shakarganj Mills Limited for the 2nd Quarter and Six Months period ended 31 March 2014 and the Board of Directors recommended the following:

(i) **CASH DIVIDEND**
Nil

(ii) **BONUS SHARES**
Nil

(iii) **RIGHT SHARES**
Nil

(iv) **ANY OTHER ENTITLEMENT/CORPORATE ACTION**
Nil

(v) **ANY OTHER PRICE-SENSITIVE INFORMATION**

The financial results of the Company are attached herewith.

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The auditors' review report contains the following observation:

"We draw attention to note 1.2 to the interim financial information, which highlights the company's inability to timely meet its obligation in respect of principal and markup repayments on borrowings from financial institutions. The company has incurred a gross loss during the period and as at this date the current liabilities of the company have exceeded its current assets by Rs. 4,963 million and equity has been eroded by Rs. 291 million. These conditions along with other matters set forth in note 1.2 indicate the existence of material uncertainty that may cast significant doubt about the company's ability to continue as a going concern. Our conclusion is not qualified in respect of this matter. "

We will be sending you the copies of printed accounts for distribution amongst the members of the Exchange in due course of time.

Yours Sincerely,

Asif Ali
Company Secretary

Copy to: - **Enforcement Department**
Securities and Exchange Commission of Pakistan
NIC Building, Jinnah Avenue
Blue Area
Islamabad

Shakarganj Mills Limited

Condensed Interim Profit and Loss Account (Un-audited)

For the six months period ended 31 March 2014

	Note	Quarter ended		Half year ended	
		31 March 2014	31 March 2013	**31 March 2014**	31 March 2013
		(Rupees in thousand)			
Sales	12.1	**5,856,932**	3,597,289	**7,561,306**	6,559,851
Cost of sales	12.2	**(5,748,103)**	(3,007,225)	**(7,585,351)**	(5,686,908)
Gross profit / (loss)		**108,829**	590,064	**(24,045)**	872,943
Administrative expenses		**(86,639)**	(78,398)	**(161,909)**	(148,938)
Distribution and selling costs		**(116,664)**	(106,050)	**(139,652)**	(177,947)
Other operating expenses		**(4,401)**	(38,913)	**(28,769)**	(46,069)
Other operating income	13	**237,012**	62,428	**294,438**	106,986
Profit / (loss) from operations		**138,137**	429,131	**(59,937)**	606,975
Finance cost		**(90,383)**	(103,645)	**(167,287)**	(233,122)
Share of income from associates		**45,386**	55,567	**47,648**	123,741
Profit / (loss) before taxation		**93,140**	381,053	**(179,576)**	497,594
Taxation					
- Company		**(58,524)**	(30,511)	**(75,471)**	(48,213)
- Associates		**(4,407)**	(4,780)	**(10,303)**	(16,754)
		(62,931)	(35,291)	**(85,774)**	(64,967)
Profit / (loss) after taxation		**30,209**	345,762	**(265,350)**	432,627
Earnings per share					
Basic earnings per share	14.1	**0.43**	4.97	**(3.82)**	6.22
Diluted earnings per share	14.2	**0.40**	4.59	**(3.52)**	5.75

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

Lahore | **Chief Executive** | **Chairman**