



**SHAHTAJ**  
SUGAR MILLS LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS  
(UN-AUDITED)  
FOR THE NINE MONTH PERIOD ENDED  
30 JUNE 2024

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## Company Information

### Board of Directors

Mr. Toqueer Nawaz  
 Mr. Muneer Nawaz  
 Mrs. Samia Shahnawaz Idris  
 Mr. Rashed Amjad Khalid  
 Mr. Abid Nawaz  
 Mrs. Sadia Muhammad  
 Ms. Ava Ardeshir Cowasjee  
 Mr. Mushtaq Ahmad  
 Mr. Sheikh Asim Rafiq  
 Mr. Zahid Ullah Khan

Chairman  
 Chief Executive

S.L.I.C.  
 N.I.T.

### Production Facility

Mandi Bahauddin - 50400.  
 Phone : (0546) 501 147 - 49  
 (0546) 508 047 - 48  
 Fax : (0546) 501 768  
 E-mail : mills@shahtajsugar.com

### Auditors

BDO Ebrahim & Company,  
 Chartered Accountants,  
 Office No. 4, 6th Floor,  
 Askari Corporate Tower, 75/76 D-1,  
 Main Boulevard Gulberg-III,  
 Lahore – 54660

### Company Secretary

Mr. Jamil Ahmad Butt, FCMA

### Chief Financial Officer

Mr. Waqar Ahmad, FCA

### Audit Committee

Mr. Mushtaq Ahmad  
 Mr. Toqueer Nawaz  
 Mr. Zahid Ullah Khan  
 Mr. Rashed Amjad Khalid  
 Mr. Sheikh Asim Rafiq

Chairman

### Human Resource &

### Remuneration Committee

Mr. Sheikh Asim Rafiq  
 Mr. Muneer Nawaz  
 Mr. Toqueer Nawaz  
 Mr. Abid Nawaz  
 Mrs. Sadia Muhammad

Chairman

### Head Office

72/C-1, M. M. Alam Road,  
 Gulberg III, Lahore - 54660.  
 Phone : (042) 3571 0482 - 84  
 Fax : (042) 3571 1904  
 Website : www.shahtajsugar.com  
 E-mail : mail@shahtajsugar.com

### Registered Office

19, Dockyard Road,  
 West Wharf, Karachi - 74000  
 Phone : (021) 3231 3934 - 38  
 Fax : (021) 3231 0623  
 E-mail : jamilbutt@shahtaj.com

### Credit Rating

Long Term : A-  
 Short Term : A2  
 Agency : VIS

### Legal Advisor

Mr. Ras Tariq Chowdhary,  
 52 - Ravi Block, Fort Green,  
 Canal Bank, Lahore.

### Share Registrar

JWAFFS Registrar Services (Private) Limited  
 Suite No. 407 - 408,  
 4th Floor, Al-Ameera Centre,  
 Shahrah-e-Iraq, Saddar, Karachi.

### Bankers

United Bank Limited  
 Habib Bank Limited  
 MCB Bank Limited  
 Bank Alfalah Limited  
 Bank Al-Habib Limited  
 JS Bank Limited  
 Allied Bank Limited  
 National Bank of Pakistan  
 Soneri Bank Limited  
 Habib Metropolitan Bank Limited

### Web Presence

www.shahtajsugar.com

### PSX Symbol

SHJS

### QR Code Report Download



## Directors' Report to the Members

Your Directors have pleasure in presenting the un-audited condensed interim financial statements for the nine month period ended 30 June 2024.

Summarized operational performance of the present crushing season as compared with that of last year is produced below:

Production Data		30 June	
		2024	2023
Start of Season		<b>25.11.2023</b>	25.11.2022
End of Season		<b>25.02.2024</b>	08.03.2023
Duration	Days	<b>92</b>	103
Sugarcane Crushed	(M. Tons)	<b>679,859</b>	786,325
<b>Production:</b>			
Sugar	(M. Tons)	<b>67,793</b>	77,600
Molasses	(M. Tons)	<b>28,152</b>	32,644
<b>Recovery:</b>			
Sugar	%	<b>9.97</b>	9.87
Molasses	%	<b>4.14</b>	4.15

As explained earlier, we were able to produce 67,793 M. Tons of sugar i.e lower by about 12% than of last season. We endeavored our best to procure maximum sugarcane during the crushing season to maximize the production but could not succeed due to significant decrease in sugarcane crop for the season. The reason was decrease in cultivation of sugarcane crop area in Punjab. We could achieve the sugarcane crushing of 679,859 MT. The Government of Punjab increased support price for the season from Rs. 300/- to Rs. 400/- per 40 kg.

The sugar market has faced a downturn recently due to overproduction within the country, leading to a surplus that has driven sugar prices below the cost of production. In response, the Economic Coordination Committee (ECC), based on the recommendations of the Sugar Advisory Board, approved an export quota of 150,000 MT for the sugar industry. This measure is intended to address an anticipated surplus of 805,000 MT by the end of the current crushing season.

However, the allocated quota is quite minimal given the significant surplus. Specifically, our share of the export quota, as allocated by the Cane Commissioner, is 1,471 MT, which is very low compared to our production for the current season. Despite this, favorable international sugar prices are expected to positively impact revenue in the upcoming quarter. Additionally, molasses prices during the period were lower compared to the same period in 2023.

For the nine month period, your Company recorded a turnover of Rs. 7,358.442 million as against Rs. 7,681.715 million in the corresponding period of 2023. The cost of sales was Rs. 6,465.582 million as against Rs. 6,613.196 million of the corresponding period. Thus, the Company has a gross profit of Rs. 892.860 million for the nine month period ended 30 June 2024 as against a gross profit of Rs. 1,068.519 million of the corresponding period. The net profit has been recorded to Rs. 48.249 million against the profit of Rs. 201,552 million of the corresponding period. The decrease in profit is due to significant increase in cost of production and finance cost. The earnings per share is Rs. 4.02 against Rs. 16.78 of corresponding period of 2023. The finance cost for the period was Rs. 498.530 million as against Rs. 427.009 million of the corresponding period due to higher utilization of banking facilities.

For the three month period ended 30 June 2024, your Company recorded a turnover of Rs. 2,285.718 million as against Rs. 1,960.027 million in the corresponding period of 2023. The cost of sales was Rs. 2,181.128 million as against Rs. 1,558.690 million of the corresponding period. Thus, the Company has a gross profit of Rs. 104.590 million for the three month period ended 30 June 2024 as against a gross profit of Rs. 401.337 million of the corresponding period. The net Loss has been recorded to Rs. (150.134 million) against the profit of Rs. 114.636 million of the corresponding period. The Loss for the period under review is attributed to high procurement cost of sugarcane due to significant increase in Notified Price of sugarcane from Rs. 300 to Rs. 400 per 40 Kg. This together with inflationary factors, has led to an enormous increase in the sugar production costs. The Loss per share is Rs. (12.50) against Earnings per share of Rs. 9.54 of corresponding

period of 2023. The finance cost for the period was Rs. 232.253 million as against Rs. 153.987 million of the corresponding period.

Sowing of sugarcane crop for the next crushing season based on survey conducted by our sugarcane department is reported to be better than the last season. Moreover, the weather conditions are favorable which will improve the yield per acre of sugarcane crop for the next crushing season. Hopefully next season with the favorable climatic conditions will lead to better sucrose content in the sugarcane planted in our area. Further our field staff is also doing its best to persuade the sugarcane growers to use amplified quality seed and fertilizers to get healthy sugarcane. Let us pray for good monsoon rains in the summer season, so that better quality and higher quantity is available for crushing.

#### UPDATE ON POWER PROJECT:

The Company is in the process to setup a bagasse-based co-generation power project with an installed capacity of 32 MW (the Project). The project is being financed through a combination of debt and equity. The Company has received power generation license and upfront tariff (revised dated 24 January 2022) for thirty years from the National Electric Power Regulatory Authority (NEPRA). The Company has achieved all other milestones (NOCs/Licenses/Approvals) as per Letter of Intent (LOI) issued by Alternative Energy Development Board (AEDB) in respect of power project including revised Energy Purchase Agreement (EPA), which has been signed and vetted by NEPRA. Further, implementation agreement between the Company and Government of Pakistan has also been signed on 04 April 2023. The Company has finalized syndicated term finance agreement for the project with MCB Bank Limited. The Company has also achieved the "Financial Close" of the project with AEDB.

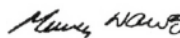
The Commercial Operation Date (COD) for the project was originally set for December 31, 2023, as per the EPA. However, due to issues related to the completion of the interconnection facility between the project's switch yard and Gujranwala Electric Power Company Limited (GEPCO)'s system, the COD could not be achieved as planned.

The Company has signed an Interconnection works-loan agreement with GEPCO, and an amount of Rupees 80 million has been paid to GEPCO for the installation of the interconnection facility. GEPCO faced challenges in completing the Transmission Line due to right-of-way issues, resulting in a delay in the project.

As a result of these issues, the new estimated completion date for the interconnection facility by GEPCO is September 2024. Moreover, due to non-availability of fuel (Bagasse) during off-season, COD may not be achieved after completion of interconnection facility by GEPCO in September 2024, hence the Company is currently in the process of seeking an extension in the COD from CPPA-G (Central Power Purchasing Agency-Guarantee) up to the next crushing season.

Your Directors place on record their appreciations of the diligence and devotion of duty of the Officers, Members of Staff and Workers of all categories.

For and on behalf of the Board,



MUNEER NAWAZ  
Chief Executive



Toqueer Nawaz  
Director

Karachi: 29 July 2024

## ڈائریکٹرز رپورٹ برائے ممبران

لاگت ۱۸۱۱۲۸.۲۰ ملین روپے رہی جبکہ گزشتہ سال کے اسی عرصہ میں یہ رقم ۱۵۵۸۰.۶۹۰ ملین روپے تھی۔ اس طرح دوران اختتام شدہ سرمایہ ۳۰ جون ۲۰۲۳ میں ادارے کو ۵۹۰-۱۰۳ ملین روپے کا مجموعی منافع ہوا۔ گزشتہ سال کے دوران اس میں مجموعی منافع ۳۰۳-۳ ملین روپے تھا۔ خالص نقصان (۱۵۰-۳۳۳) ملین روپے رہا جبکہ اس کے مقابل گزشتہ سال مجموعی خالص منافع ۱۱۳-۱۲۶ ملین روپے رہا۔ ہر جائز مدت میں خالص نقصان کی بنیاد دینے کے لیے کم از کم مقرر کردہ قیمت ۳۰۰ روپے فی ۳۰ کلوگرام ہے۔ ۲۰۰ روپے فی ۳۰ کلوگرام تک اضافہ ہے۔ اس کے علاوہ افراط زر کے عہد کے ساتھ، چینی کی پیداواری لاگت میں بے پناہ اضافہ اور دو رنگ سرمائے کی ضرورت میں اضافہ بھی خالص نقصان کا سبب بنا ہے۔ نقصان فی حصص (۵۰-۱۲) روپے ہے جو گزشتہ سال کی اسی مدت کے دوران فی حصص آمدنی ۹۳-۵ روپے تھی۔ اس مدت کی مالیاتی لاگت ۲۳۲-۳۵۳ ملین روپے رہی جبکہ گزشتہ سال کے اسی عرصہ میں یہ رقم ۹۸-۱۵۳ ملین روپے تھی۔ جسکی وجہ قرضوں کی حد میں بینکنگ سہولیات کو زیادہ استعمال کرنا ہے۔

ہمارے کینڈا لیا ریٹسٹ کے سروے کی بنیاد پر اگلے کرھٹ سیزن کے لئے گئے کی فصل کی کاٹت گزشتہ سیزن سے بہتر بنائی جا رہی ہے۔ تاہم موسمی حالات سازگار ہیں جس سے اگلے کرھٹ سیزن میں گئے کی فصل کی کمی یا بیکر پیداوار میں بھڑکی آئے گی۔ امید ہے کہ اگلے سیزن میں سازگار موسمی حالات ہوں گے جو ہمارے علاقے میں لگنے گئے تھے، میں بھڑسارو کی مقدار کا باعث نہیں گئے۔ مزید برآں ہمارا ٹیلڈ سٹاف گئے کے کاشتکاروں کو کھت متناہص حاصل کرنے کے لئے بہتر معیار کے بیج اور کھاد کے استعمال پر راضی کرنے کی کوشش کر رہا ہے۔ آجے کر سیزن کے موسم میں مون سون کی ابھی بارشوں کے لئے دعا کریں تاکہ بیکر کو آبی اور زیادہ مقدار میں کرھٹ دستیاب ہو۔

### پاور پراجیکٹ کی تازہ ترین صورت حال

کھپن ۳۳ میگا واٹ پراجیکٹ کی صلاحیت کے ساتھ گئے کی کھوئی (بیجاس) سے چلنے والے کوہ جزیئن پاور پراجیکٹ قائم کرنے کے عمل میں ہے۔ اس منصوبے کی مالی اعانت قرض اور ایجوٹی کے اخراج سے کی جا رہی ہے۔ کھپن نے کھپن الیکٹریک پاور ریگولیٹری اتھارٹی (پھرا) سے تیس سال کے لیے پاور جزیئن انٹرنس اور اپ فرٹ ٹیرف (نظر ثانی شدہ مورہ ۲۳ جون ۲۰۲۲) حاصل کیا ہے۔ کھپن نے پاور پراجیکٹ کے اے سے تازہ توانائی کے ترقیاتی بورڈ (اے-ای-ڈی-بی) کی طرف سے جاری کردہ لیٹرف آف انٹینٹ (ایم-اے-آئی) کے مطابق دیگر تمام سبب تک (اے/انسٹرو/مشورہات) حاصل کر لیے ہیں۔ بشمول نظر ثانی شدہ وائٹنی پریجز انگریجمنٹ جس پر پھر کی طرف سے جانچ پڑتال کے بعد دخل دیا گئے تھے۔ مزید برآں، ادارے اور حکومت پاکستان کے مابین مغلدرآمد کے معاہدہ پر ۱۰۳ اپریل ۲۰۲۳ کو دخل دیا گئے تھے۔ کھپن نے ایم سی بی بینک لینڈ کے ساتھ پاور پراجیکٹ کے لئے سٹریٹجک ٹرم ٹرانس انگریجمنٹ کو حتمی شکل دی ہے۔ کھپن نے توانائی کے ترقیاتی ادارے (اے-ای-ڈی-بی) کے ساتھ پاور پراجیکٹ کی مالیاتی اختتام کا وفد بھی حاصل کر لیا ہے۔

محل خریداری کے معاہدہ کے مطابق منصوبے کی ابتدائی کرشل آپریشن کی تاریخ ۳۰ ستمبر ۲۰۲۳ مقرر کی گئی تھی۔ تاہم منصوبے کے سوچ پارڈ اور گورنور الییکٹریک پاور کھپن لینڈ (کینکو) کے سسٹم کے درمیان انگریجمنٹ کی سہولت کی تکمیل سے حعلق مسائل کی وجہ سے کرشل آپریشن کی تاریخ کا وفد حاصل نہیں کیا جا سکا۔

سال کے دوران، گورنور الییکٹریک پاور کھپن لینڈ کے ساتھ سوچ پارڈ اور کینکو کے سسٹم کے درمیان انگریجمنٹ کی سہولت کی تکمیل کے لیے انگریجمنٹ وکس لون کے معاہدے پر دخل دیا گئے تھے ہیں۔ کھپن نے انگریجمنٹ وکس لون معاہدے کی تکمیل میں انگریجمنٹ سہولت کی تکمیل کے لیے گورنور الییکٹریک سہولت کی کھپن کو ۸۰ ملین روپے کے قرض کی رقم منظور کی ہے۔ گورنور الییکٹریک سہولت کی کھپن کو اس میں مکمل کرنے میں پیٹنٹیکو کا سامنا کرنا پڑا جس کی بنیاد پر ڈیٹا ٹیم میں انٹن لائن کے گزرنے کے مسائل ہیں جس کے نتیجے میں پراجیکٹ میں تاخیر ہوئی۔

ان مسائل کے نتیجے میں کینکو کی طرف سے انگریجمنٹ کی سہولت کی تکمیل کی نئی توقع تاریخ ستمبر ۲۰۲۳ مقرر کی گئی ہے۔ مزید برآں، آف سیزن کے دوران ایندھن (گئے کی کھوئی) کی عدم دستیابی کی وجہ سے انگریجمنٹ سہولت کی تکمیل کے بعد کرشل آپریشن کا وفد حاصل نہیں کیا جا سکتا۔ اس نے کھپن کی اعلیٰ مندرجہ پاور پریجز ٹیم ایجنسی-گارنٹی) کے اگلے کرھٹ سیزن تک کرشل آپریشن کی تاریخ میں توسیع کی کوشش کر رہی ہے۔

آپ کے ڈائریکٹرز اس موقع پر تمام بیکٹریز کے ممبران، ممبران، سٹاف اور ورکرز کی مستعدی اور فرض شناسی کو سراہتے ہیں اور ان کی جاں نثانی اور کام سے لگاؤ کے متعرف ہیں۔

برائے اور اطراف پر ڈاؤن ڈائریکٹرز

Munir Nawaz

منیر نواز  
چیف ایگزیکٹو

Taj

تاج تھوڑا  
ڈائریکٹرز

کراچی

۲۹ جولائی ۲۰۲۳

## ڈائریکٹرز رپورٹ برائے ممبران

ہیرو آف ڈائریکٹرز کی نمائندگی میں ہم اپنی سرت کے ساتھ غیر محاسب شدہ مختصر صورتی مالی پالی کو شوارہ برائے دوران پیدائش شدہ نو ماہی ۲۰۲۳ء سے ۲۰۲۲ء تک کی خدمت میں پیش کرتے ہیں۔ پچھلے سال کے مقابلے موجودہ کرٹھک سیزن کی آپریشنل کارکردگی کا خلاصہ ذیل میں پیش کیا گیا ہے۔

۲۰۲۳		۲۰۲۲		پیداواری اعداد و شمار
۲۰۲۲ نومبر ۲۵	۲۰۲۳ نومبر ۲۵	۲۰۲۳ فروری ۲۵	۲۰۲۲ فروری ۲۵	آغاز سیزن
۲۰۲۳ مارچ ۰۸	۲۰۲۲ مارچ ۰۸	۲۰۲۳ اپریل ۰۹	۲۰۲۲ اپریل ۰۹	اختتام سیزن
۱۰۳ دن	۹۲ دن	۹۲ دن	۹۲ دن	دورانہ سیزن
۷۸۹۶۳۲۵ ٹریکٹن	۶۷۹۸۵۹ ٹریکٹن	۶۷۹۸۵۹ ٹریکٹن	۶۷۹۸۵۹ ٹریکٹن	گنے کی پیمائی
				پیداوار
۷۷۶۰۰ ٹریکٹن	۶۷۷۹۳ ٹریکٹن	۶۷۷۹۳ ٹریکٹن	۶۷۷۹۳ ٹریکٹن	چینی
۳۲۶۳۳ ٹریکٹن	۲۸۱۵۲ ٹریکٹن	۲۸۱۵۲ ٹریکٹن	۲۸۱۵۲ ٹریکٹن	راب
				پیداواری تناسب
۹۔۸۷ فیصد	۹۔۹۷ فیصد	۹۔۹۷ فیصد	۹۔۹۷ فیصد	چینی
۳۔۱۵ فیصد	۳۔۱۳ فیصد	۳۔۱۳ فیصد	۳۔۱۳ فیصد	راب

اپنے علاقہ اور ملحقہ علاقہ جات میں موجود گنے کی کرٹھک کے بعد ہم ۹۳،۷۷۹ ٹریکٹن گنے بنانے میں کامیاب ہوئے جو گزشتہ سیزن کے مقابل تقریباً ۱۲ فیصد کم ہے۔ ہم نے کرٹھک سیزن کے دوران زیادہ سے زیادہ گنے کی خریداری کی اپوری کوشش کی تاکہ پیداوار کو زیادہ سے زیادہ حاصل کیا جاسکے لیکن اس سیزن میں گنے کی فصل میں نمایاں کمی کی وجہ سے کامیاب نہ ہو سکے جس کی وجہ سے پنجاب کے ریزرگسٹ رقبہ میں کمی ہے۔ ہم ۹۳،۷۷۹ ٹریکٹن گنے کی کرٹھک حاصل کر سکے ہیں۔ حکومت پنجاب نے سیزن کے لیے گنے کی کم از کم قیمت خرید ۳۰۰ روپے فی ٹریکٹن ۳۰ کلوگرام سے بڑھا کر ۳۰۰ روپے فی ٹریکٹن ۳۰ کلوگرام کر دی ہے۔

ملک کے اعلیٰ ضرورت سے زیادہ پیداوار کے باعث چینی کی مارکیٹ کو مندی کا سامنا کرنا پڑا ہے جس کی وجہ سے چینی کی قیمتیں پیداواری لاگت سے کم ہو گئی ہیں۔ اس کے رد عمل میں اقتصاد کی رابطہ کمپنی (ای سی سی) نے شوگر مینڈیٹوری بورڈ کی سفارشات پر چینی شوگر مارکیٹ میں گنے کے لیے ۱۵۰،۰۰۰ ٹریکٹن کے برآمدی کوٹے کی منظوری دی۔ اس اقدام کا مقصد موجودہ کرٹھک سیزن کے اختتام تک ۸۰،۵۰۰ ٹریکٹن کے متوقع مرپس کو مل کرنا ہے۔

ہم نمایاں مرپس کے پیش نظر نقص کو کم بہت کم ہے۔ خاص طور پر ہاکیپرٹ کوٹہ میں ہمارا حصہ اسیا کہ گنے کی کھپنے کا ہے ۱،۱۳ ٹریکٹن ہے جو موجودہ سیزن کی ہماری پیداوار کے مقابلے میں بہت کم ہے۔ اس کے باوجود آلے والی سرمایہ میں چینی کی سازگار ترین انقوائی قیمتوں سے آمدنی پر مثبت اثر پڑنے کی توقع ہے۔ اس کے علاوہ ساس مرے کے دوران راب کی قیمتیں ۲۰۲۳ کی اسی مدت کے مقابلے میں کم تھیں۔

اس نو ماہی کے دوران آپ کے ادارے کی فروخت ۳۳۲،۵۳۸،۲۳۲ روپے رہی جو کہ ۲۰۲۳ء کے اسی عرصہ میں ۷۸۱،۷۸۱،۷۸۱ روپے تھی۔ پیداواری لاگت ۵۸۲،۷۳۷،۷۳۷ روپے رہی جبکہ گزشتہ سال کے اسی عرصہ میں یہ رقم ۱۹۶،۶۱۳،۶۱۳ روپے تھی۔ اس طرح اختتام شدہ نو ماہی ۲۰۲۳ میں ادارے کو ۸۹۲،۸۹۲،۸۹۲ روپے کا مجموعی منافع ہوا جبکہ گزشتہ سال کے دوران یہ مجموعی منافع ۵۱۹،۵۱۹،۵۱۹ روپے تھا۔ خاص طور پر ۲۳۹،۲۳۹،۲۳۹ ٹریکٹن روپے ہاکیپرٹ کوٹہ کے مقابل گزشتہ سال خاص طور پر ۲۰۱۵،۵۱۵،۵۱۵ ٹریکٹن روپے ہاکیپرٹ کوٹہ میں کمی پیداواری لاگت اور پالیٹائی لاگت میں نمایاں اضافے کی وجہ سے۔ فی حصص آمدنی ۰۲۔۳۰ روپے ہے جو کہ گزشتہ سال اسی مدت میں ۷۸،۷۸،۷۸ روپے فی حصص تھی۔ اس مدت کی پالیٹائی لاگت ۵۳۰،۵۳۰،۵۳۰ روپے رہی جبکہ گزشتہ سال کے اسی عرصہ میں یہ رقم ۷۸،۷۸،۷۸ روپے تھی۔

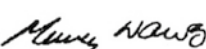
اختتام شدہ سرمایہ ۲۰۲۳ء کے دوران آپ کے ادارے کی فروخت ۷۸۱،۷۸۱،۷۸۱ روپے رہی جو کہ ۲۰۲۳ء کے اسی عرصہ میں ۱،۹۶۰،۹۶۰ روپے تھی۔ پیداواری

# Condensed Interim Statement of Financial Position (Un-audited)

As at 30 June 2024

		(Un-audited) 30 June 2024	(Audited) 30 September 2023
	Note	(Rupees in thousand)	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	5,482,924	4,576,692
Long term investment	8	186,204	191,713
Long term loans		45,538	39,904
Long term deposits		40,256	40,256
		<b>5,754,922</b>	<b>4,848,565</b>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		241,807	209,519
Stock-in-trade		2,831,124	1,081,609
Trade debts		106,405	65,924
Loans and advances	9	154,154	61,029
Short term prepayments		4,687	4,211
Advance income tax - net		122,029	61,163
Cash and bank balances		37,942	89,287
		<b>3,498,148</b>	<b>1,572,742</b>
		<b>9,253,070</b>	<b>6,421,307</b>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital 15,000,000 (September 30, 2023: 15,000,000) ordinary shares of Rs. 10 each		150,000	150,000
Issued, subscribed and paid-up share capital		120,111	120,111
Reserves			
Capital reserve - Share premium		27,534	27,534
Capital reserve - Revaluation surplus on property, plant and equipment		1,928,484	1,928,484
Revenue reserve - General reserve		1,151,119	1,151,119
Revenue reserve - Un-appropriated profits		(83,588)	36,318
Loans from directors		126,000	126,000
		<b>3,269,660</b>	<b>3,389,566</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	10	1,732,861	1,217,177
Loan from associated Company		108,620	106,004
Lease liabilities		13,947	17,676
Retirement benefits obligations		36,940	33,458
Deferred taxation - net		60,369	86,218
		<b>1,952,737</b>	<b>1,460,533</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		421,684	307,088
Contract liabilities		61,769	112,409
Short term borrowings	11	3,098,986	979,541
Accrued mark-up		419,234	162,832
Current portion of non-current liabilities		3,149	1,992
Unpaid dividend		21,850	7,346
Unclaimed dividend		4,001	-
		<b>4,030,673</b>	<b>1,571,208</b>
		<b>9,253,070</b>	<b>6,421,307</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			
<b>CONTINGENCIES AND COMMITMENTS</b>			
	12		

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

  
Chief Executive

  
Director

  
Chief Financial Officer

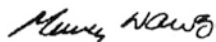


## Condensed Interim Statement of Profit or Loss (Un-audited)

For the nine month period ended 30 June 2024

	Note	Nine month period ended 30 June		Quarter Ended 30 June	
		2024	2023	2024	2023
(Rupees in thousand)					
Revenue from contracts with customers-net	13	7,358,442	7,681,715	2,285,718	1,960,027
Cost of sales	14	(6,465,582)	(6,613,196)	(2,181,128)	(1,558,690)
<b>Gross profit</b>		<b>892,860</b>	1,068,519	<b>104,590</b>	401,337
Distribution cost		(16,505)	(17,969)	(3,741)	(3,469)
Administrative expense		(292,730)	(253,086)	(79,727)	(77,719)
Other operating (expense) / income		(9,351)	(30,188)	13,987	(11,652)
		<b>(318,586)</b>	(301,243)	<b>(69,481)</b>	(92,840)
		574,274	767,276	35,109	308,497
<b>Other income</b>		<b>29,143</b>	33,405	<b>8,422</b>	2,899
Operating profit		<b>603,417</b>	800,681	<b>43,531</b>	311,396
Finance cost		(498,530)	(427,009)	(232,253)	(153,987)
		<b>104,887</b>	373,672	<b>(188,722)</b>	157,409
Share of profit of associate - net of tax	8	1,966	7,641	-	-
<b>Profit / (loss) before taxation</b>		<b>106,853</b>	381,313	<b>(188,722)</b>	157,409
<b>Taxation</b>		<b>(58,604)</b>	(179,761)	<b>38,588</b>	(42,773)
<b>Profit / (loss) after taxation</b>		<b>48,429</b>	201,552	<b>(150,134)</b>	114,636
Earnings per share / (loss) - basic and diluted (Rupees)	15	4.02	16.78	(12.50)	9.54

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

  
Chief Executive

  
Director

  
Chief Financial Officer

## Condensed Interim Statement of Comprehensive Income (Un-audited) For the nine month period ended 30 June 2024

	Nine month period ended 30 June		Quarter Ended 30 June	
	2024	2023	2024	2023
	(Rupees in thousand)			
Profit / (loss) after taxation	48,249	201,552	(150,134)	114,636
Other comprehensive income				
Items that will not be reclassified subsequently to statement of profit or loss	-	-	-	-
Items that may be reclassified subsequently to statement of profit or loss	-	-	-	-
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	48,249	201,552	(150,134)	114,636

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

  
Chief Executive

  
Director

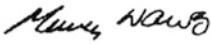
  
Chief Financial Officer

## Condensed Interim Statement of Changes in Equity (Un-audited)

For the nine month period ended 30 June 2024

	RESERVES						LOANS FROM DIRECTORS	TOTAL EQUITY
	CAPITAL			REVENUE				
	SHARE CAPITAL	Share premium	Surplus on revaluation of property, plant and equipment	General reserve	Un-appropriated profits	Total		
	(Rupees in thousand)							
Balance as at October 01, 2022 - (audited)	120,111	27,534	1,928,484	1,145,167	(864,127)	2,737,058	146,000	3,003,189
Profit after taxation for the period	-	-	-	-	201,552	201,552	-	201,552
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	201,552	-	201,552
Balance as at June 30, 2023 - (un-audited)	120,111	27,534	1,928,484	1,145,167	(162,575)	2,988,610	146,000	3,204,721
Balance as at October 01, 2023 - (audited)	120,111	27,534	1,928,484	1,151,119	36,318	3,143,455	126,000	3,989,566
Transaction with owners:								
Final cash dividend 2023: Rs. 14, per share	-	-	-	-	(168,155)	(168,155)	-	(168,155)
Profit after taxation for the period	-	-	-	-	48,249	48,249	-	48,249
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period (unaudited)	-	-	-	-	-	48,249	-	48,249
Balance as at June 30, 2024 (unaudited)	120,111	27,534	1,928,484	1,151,119	(83,588)	3,023,549	126,000	3,269,660

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

  
Chief Executive

  
Director

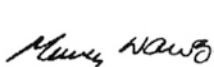
  
Chief Financial Officer

## Condensed Interim Statement of Cash Flows (Un-audited)

### For the nine month period ended 30 June 2024

Note	Nine month period ended 30 June	
	2024	2023
(Rupees in thousand)		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	106,853	381,313
Adjustments for non-cash and other items:		
Depreciation on operating fixed assets	7 26,059	24,373
Depreciation on right-of-use asset	7 1,978	1,977
Finance cost	498,530	427,009
Profit on bank deposits	(15,584)	(5,543)
Share of profit from associate	8 (1,966)	(7,641)
Reversal of fair value adjustment on loan to GEPCO	(6,098)	-
Fair value adjustment due to impact of IFRS-9	1,740	2,315
Gain on disposal of operating fixed assets	7 (427)	(928)
Provision for retirement benefits obligations	4,569	3,882
Allowance for expected credit losses against trade debts	-	128
Provision for doubtful advances to suppliers	-	553
Reversal of provision for doubtful advances to suppliers	-	(613)
Reversal of allowance for expected credit losses against advances to employees	(402)	(236)
Provision for leave encashment	2,993	2,680
Fair value adjustment on financial assets	(309)	1,806
Net cash flow before working capital changes	617,936	831,075
Working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(32,288)	(35,962)
Stock-in-trade	(1,749,515)	(108,213)
Trade debts	(40,481)	8,276
Loans and advances	(92,723)	25,030
Short term prepayments	(476)	(591)
Other receivables	-	(12,000)
	(1,915,483)	(123,460)
Increase in current liabilities		
Trade and other payables	113,885	120,415
Contract liabilities	(50,640)	605,532
Cash (used in) / generated from operations	(1,234,302)	1,433,562
Income tax paid	(145,320)	(30,289)
Finance cost paid	(240,388)	(353,690)
Profit on bank deposits received	15,584	5,543
Leave encashment paid	(631)	(302)
Retirement benefits paid	(1,091)	(1,599)
Net cash (used in) / generated from operating activities	(1,606,148)	1,053,225
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to operating fixed assets - net	7 (934,758)	(174,959)
Proceeds from sale of operating fixed assets	920	-
Increase in long term deposits	-	(11,891)
Increase in long term loans	-	(4,384)
Dividend received from associate	8 7,475	14,951
Net cash used in investing activities	(926,363)	(176,283)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing-net	10 515,684	(153,694)
Payment against lease liabilities	(4,312)	(2,379)
Dividend paid	(149,650)	(7)
Short term borrowings-net	2,119,445	(689,159)
Net cash generated from / (used in) financing activities	2,481,167	(845,239)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(51,345)	31,703
Cash and cash equivalents at the beginning of the period	89,287	36,538
Cash and cash equivalents at the end of the period	37,942	68,241

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

  
\_\_\_\_\_  
Chief Executive

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Chief Financial Officer

## Notes to the Condensed Interim Financial Statements (Un-audited)

### For the nine month period ended 30 June 2024

#### 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Shahtaj Sugar Mills Limited (the Company) was incorporated in Pakistan on March 27, 1965 as a Public limited Company under the Companies Act, 1913 (Now Companies Act, 2017). The Company is listed on Pakistan Stock Exchange Limited and is engaged in the manufacture and sale of sugar whereas molasses and bagasse are its significant by-products.
- 1.2** The Company is in the process to setup a bagasse-based co-generation power project with an installed capacity of 32 MW (the Project). The project is being financed through a combination of debt and equity. The Company has received power generation licence and upfront tariff (revised dated January 24,2022) for thirty years from the National Electric Power Regulatory Authority (NEPRA). The Company has also achieved the "Financial Close" of the project with AEDB on June 22, 2023.

#### 2. GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Company is situated at 19, Dockyard Road, West Wharf, Karachi. The manufacturing facility/factory is located in Kuthiala Saidan, Mandi Bahauddin. Additionally, the Company has its head office at 72-C/1, M. M. Alam Road, Gulberg-III, Lahore.

#### 3 BASIS OF PREPARATION

##### 3.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and

Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 3.1.1** These condensed interim financial statements are unaudited and are being submitted to the shareholders as required under section 237 of the Companies Act, 2017 and the listing Regulations, 2019 of the Pakistan Stock Exchange.
- 3.1.2** These condensed interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended September 30, 2023 which have been prepared in accordance with approved accounting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

## Notes to the Condensed Interim Financial Statements (Un-audited)

### For the nine month period ended 30 June 2024

**3.1.3** The comparative statement of financial position presented in these condensed interim financial statements have been extracted from the annual audited financial statements of the Company for the year ended September 30, 2023, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial statements for the nine month period ended June 30, 2023.

#### **3.2 Basis of measurement**

These condensed interim financial statements have been prepared under the historical cost convention, except for the staff retirement benefits, which are measured using the actuarial techniques, and certain operating fixed assets at revalued amounts. These condensed interim financial statements have been prepared following accrual basis of accounting except for the cash flows statement.

#### **3.3 Functional and presentation currency**

These condensed interim financial statements have been presented in Pak Rupees, which is the functional and presentation currency of the Company.

### **4. MATERIAL ACCOUNTING POLICIES AND CHANGES THERE IN**

**4.1** The accounting policies adopted and methods of computation followed in the preparation of these condensed interim financial statements are same as those for the preceding annual financial statements for the year ended September 30, 2023.

#### **4.2 Changes in accounting standards, interpretations and amendments to published accounting and reporting standards**

##### **4.2.1 Amendments to published accounting and reporting standards which became effective during the period:**

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after January 01, 2023. Although the amendments did not result in any changes to accounting policy themselves, they will impact the accounting policy information disclosed in the annual financial statements.

These amendments had no effect on the interim condensed financial statements of the Company as they relate to disclosures of accounting policies in the annual financial statements rather than interim financial statements. The amendments are expected to be applicable for the accounting policy disclosures in the annual financial statements of the Company.

Management reviewed the accounting policies and updates to the information disclosed in Note 4 Material accounting policy information (2023: Summary of significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

##### **4.2.2 Amendments to published accounting and reporting standards that are not yet effective:**

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 01, 2023. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

## Notes to the Condensed Interim Financial Statements (Un-audited)

For the nine month period ended 30 June 2024

### 5. SEASONALITY OF OPERATIONS

The Company is inter-alia, engaged in manufacturing of sugar for which the season begins in November / December and ends in March / April. Therefore, majority of expenses are incurred and production activities are undertaken in first half of the Company's financial year resulting in increased volume of inventories, receivables, payables and financing at the end of the first half.

### 6. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

During preparation of these condensed interim financial statements, the significant judgments and estimations made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended September 30, 2023.

	Note	(Un-audited)	(Audited)
		30 June 2024	30 September 2023
(Rupees in thousand)			
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	7.1	<b>2,506,931</b>	2,510,771
Capital work-in-progress	7.2	<b>2,964,787</b>	2,052,737
Right-of-use asset	7.3	<b>11,206</b>	13,184
		<b>5,482,924</b>	4,576,692
<b>7.1 Operating fixed assets</b>			
Opening net book value (NBV)		<b>2,510,771</b>	2,511,032
Additions (at cost) during the period / year	7.1.1	<b>22,708</b>	34,427
		<b>2,533,479</b>	2,545,459
Disposals (at NBV) during the period / year		<b>(489)</b>	(1,332)
Depreciation charged during the period / year		<b>(26,059)</b>	(33,356)
		<b>(26,548)</b>	(34,688)
Closing net book value (NBV) at the end of the period / year		<b>2,506,931</b>	2,510,771
<b>7.1.1 Details of additions (at cost) during the period / year are as follows:</b>			
Plant and machinery	7.2.2	<b>16,021</b>	26,046
Motor vehicles		<b>5,965</b>	7,393
Furniture and fittings		-	23
Office equipment		<b>722</b>	965
		<b>22,708</b>	34,427

**7.1.2** Freehold land of the Company are located at Kuthiala Saidan, Mandu Bahauddin with an area covering 120.678 acres with covered area of buildings of 1.031 million square feet.

## Notes to the Condensed Interim Financial Statements (Un-audited)

### For the nine month period ended 30 June 2024

		(Un-audited) 30 June 2024	(Audited) 30 September 2023
	Note	(Rupees in thousand)	
<b>7.2 CAPITAL WORK IN PROGRESS</b>			
Civil works and buildings	7.2.1	100,728	53,640
Plant and machinery	7.2.2	1,639,000	1,087,003
Other directly attributable overheads	7.2.3	1,035,001	753,601
Advances to suppliers	7.2.4	190,058	158,493
		<b>2,964,787</b>	<b>2,052,737</b>
<b>7.2.1 Civil works and buildings</b>			
Opening balance at the start of the period / year		53,640	50,471
Additions (at cost)		47,088	3,169
Closing balance at the end of the period / year		<b>100,728</b>	<b>53,640</b>
<b>7.2.2 Plant and machinery</b>			
Opening balance at the start of the period / year		1,087,003	1,057,752
Additions (at cost)		568,018	52,861
Transferred to operating fixed assets		(16,021)	(23,467)
Charged to profit and loss during the period / year		-	(143)
Closing balance at the end of the period / year	7.2.2.1	<b>1,639,000</b>	<b>1,087,003</b>

**7.2.2.1** This includes stores and spares held for capitalization is amounting to Rs. 9,457 million (September 30, 2023: Rs. 262.198 million).

		(Un-audited) 30 June 2024	(Audited) 30 September 2023
	Note	(Rupees in thousand)	
<b>7.2.3 Other directly attributable overheads</b>			
Opening balance at the start of the period / year		753,601	556,472
Additions (at cost)	7.2.3.1	281,400	197,129
Transferred to operating fixed assets		-	-
Closing balance at the end of the period / year		<b>1,035,001</b>	<b>753,601</b>

**7.2.3.1** This includes borrowing cost amounting to Rs. 264,585 million (September 30, 2023: Rs. 177.598 million) has been capitalized during the period. The effective rate of borrowing cost capitalized during the period ranges from 22.96% to 24.16% (September 30, 2023: 16.57% to 24.30%) per annum.



## Notes to the Condensed Interim Financial Statements (Un-audited)

For the nine month period ended 30 June 2024

Note	(Un-audited)	(Audited)
	30 June 2024	30 September 2023
<b>(Rupees in thousand)</b>		
<b>7.2.4 Advances to suppliers</b>		
Opening balance at the start of the period / year	158,493	50,313
Additions (at cost)	37,176	121,447
Transferred/ adjustment	-	(11,715)
Charged to profit and loss during the period / year	-	(1,552)
Transferred to operating fixed assets	(5,611)	-
Closing balance at the end of the period / year	<b>190,058</b>	<b>158,493</b>

### 7.3 Right of use asset

The following is the statement of right of use asset:

#### Building

Opening net book value (NBV)	13,184	15,821
Depreciation charge for the period / year	(1,978)	(2,637)
Closing net book value (NBV) at the end of the period / year	<b>11,206</b>	<b>13,184</b>
Annual rate (%) of depreciation	<b>11.11</b>	<b>11.11</b>

7.3.1 This represents the lease contract for the head office of the Company with a lease term of 9 years. The lease will expire in September 30, 2028.

7.3.2 There is no impairment against right-of-use asset.

Note	(Un-audited)	(Audited)
	30 June 2024	30 September 2023
<b>(Rupees in thousand)</b>		
<b>8 LONG TERM INVESTMENT</b>		
Investment in associate (with significant influence)		
- under equity method Shahtaj Textile Limited	8.1	11,500
1,150,000 (2023: 1,150,000) ordinary shares of Rupees 10 each	11,500	11,500
<b>Share of post acquisition changes in investee's net assets:</b>		
As at October 01	180,213	178,943
Add: Share of profit for the period / year	1,966	16,861
Less: Share of other comprehensive loss for the period / year	-	(641)
Less: Dividend received	(7,475)	(14,950)
	<b>174,704</b>	<b>180,213</b>
	<b>186,204</b>	<b>191,713</b>

## Notes to the Condensed Interim Financial Statements (Un-audited)

### For the nine month period ended 30 June 2024

- 8.1** Shahtaj Textile Limited (STL), a Public Limited Company, is engaged in the business of manufacturing and sales of textile goods. The registered office of Shahtaj Textile Limited is situated at 27-C, Abdalian Cooperative Housing Society Limited, Opposite Expo Center, Lahore. Shahtaj Textile Limited is listed on Pakistan Stock Exchange Limited.
- 8.2** The Company holds only 11.9048% shares in STL. However, the Company holds significant influence by virtue of the common directors on the board of directors of the Shahtaj Textile Limited.
- 8.3** The reporting date of STL is June 30, 2023 in line with industry practice. The share in net assets of STL has been determined on the basis of un-audited financial statements for the period ended March 31, 2024.

Note	(Un-audited)	(Audited)	
	30 June 2024	30 September 2023	
(Rupees in thousand)			
<b>9 LOANS AND ADVANCES</b>			
Considered good			
Advances to employees	9.1	5,390	2,395
Advances to contractors		4,049	1,425
Advances to cane growers	9.2	97,687	12,818
Advances to suppliers		43,596	40,970
Current portion of long term loans		3,432	3,421
		<u>154,154</u>	<u>61,029</u>
Considered doubtful:		1,319	1,721
		<u>155,473</u>	<u>62,750</u>
Allowance for expected credit losses		(1,319)	(1,721)
		<u>154,154</u>	<u>61,029</u>

- 9.1** This represents advance given to employees against salary and expenses. These advances are provided for general purposes in accordance with the terms of their employment, which is not past due. During the period, the impact of discounting on advances against salary is insignificant .
- 9.2** This include advances to various sugarcane growers in the form of fertilizers, seeds and pesticides. These advances are secured, interest free and will be adjusted in sugarcane payment.

Note	(Un-audited)	(Audited)	
	30 June 2024	30 September 2023	
(Rupees in thousand)			
<b>10 LONG TERM FINANCING</b>			
Secured:			
Banking Company			
MCB Bank Limited	10.1	1,732,861	1,217,177

## Notes to the Condensed Interim Financial Statements (Un-audited)

### For the nine month period ended 30 June 2024

- 10.1** This represents a syndicated term finance facility obtained to finance the installation of 32MW high pressure bagasse based co-generation power unit, repayable in 56 equal quarterly instalments, commenced after a grace period of one year from November 2024 and ending on August 2038. This facility of long term financing amounts to Rs. 2.8 billion (September 30, 2023: Rs. 2.8 billion) and has been 61.89% utilized as at the reporting date. During the period, the Company obtained the loan amounting to Rs. 515.684 million. Mark-up is chargeable, at a rate of 3 months KIBOR plus 1.5% per annum, payable quarterly. During the period, mark-up rates applied on the loan ranges from 22.96% to 24.16% (September 30, 2023: 16.57% to 24.30%).
- 10.2** This financing facility is secured against first charge of Rs. 3,733.333 million over all present and future current and fixed assets of the Company with 25% margin, exclusive charge over present and future receivables from power purchaser due under the Energy Purchase Agreement (EPA) and personal guarantee of Chief Executive Officer of the Company.

Note	(Un-audited)	(Audited)
	30 June 2024	30 September 2023
(Rupees in thousand)		
<b>11</b>	<b>SHORT TERM BORROWINGS</b>	
	Secured:	
	Banking companies	
	Cash finance (Conventional financing)	142,349
	Running finance	330,228
	Islamic mode of financing	506,964
11.1	<b>3,098,986</b>	<b>979,541</b>

- 11.1** These facilities are secured against pledge of refined sugar with 10% to 25% (2023: 10% to 25%) margin, first pari passu hypothecation charge on all present and future current assets of the Company and second ranking charge over land, buildings and plant and machinery of the Company. Markup is payable quarterly and at the end of tenure at the rates ranging from 1 month KIBOR plus 0.75% to 1 month KIBOR plus 2% (2023: 1 month KIBOR plus 0.75% to 1 month KIBOR plus 1.5%) and 9 months KIBOR + 0.75% to 9 months KIBOR + 1.5% (2023: 9 months KIBOR + 0.75% to 9 months KIBOR + 1.00%) on utilized limits.

## 12 CONTINGENCIES AND COMMITMENTS

### 12.1 Contingent liabilities

There has been no material change in the status of the contingencies reported in the annual audited financial statements of the Company for the year ended September 30, 2023.

### 12.2 Commitments

- a) The Company has obtained vehicles under ijarah arrangements from Soneri Bank Limited (Islamic Banking) for a period of five years. Ijarah rentals are payable on monthly basis. Future Ujrah payments under Ijarah are as follows:

## Notes to the Condensed Interim Financial Statements (Un-audited)

### For the nine month period ended 30 June 2024

Note	(Un-audited)	(Audited)
	30 June 2024	30 September 2023
(Rupees in thousand)		
Not later than one year	7,781	7,787
Later than one year and not later than five years	18,734	23,726
	<b>26,515</b>	<b>31,513</b>

- b) Contracts for capital expenditure are approximately amounting to Rs. 136.894 million (September 30, 2023: Rs. 389.703 million).

	(Un-audited)		(Un-audited)	
	Nine month period ended 30 June		Quarter Ended 30 June	
	2024	2023	2024	2023
(Rupees in thousand)				
<b>13. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET</b>				
Gross revenue	8,589,813	8,831,643	2,617,217	2,272,937
Less:				
Broker's commission on sugar / molasses	13,615	13,096	3,632	4,024
Sales tax	1,208,478	1,127,231	325,389	306,491
Withholding tax on sales	9,278	9,601	2,478	2,395
	<b>1,231,371</b>	<b>1,149,928</b>	<b>331,499</b>	<b>312,910</b>
	<b>7,358,442</b>	<b>7,681,715</b>	<b>2,285,718</b>	<b>1,960,027</b>
Set out below is the disaggregation of the Company's revenue from contracts with customers:				
<b>Major Products:</b>				
Sugar	7,537,256	7,522,694	2,032,543	1,975,631
Molasses	780,813	1,122,087	499,334	295,511
Bagasse	256,957	173,804	85,340	-
Press mud	14,787	13,058	-	1,795
Gross revenue	<b>8,589,813</b>	<b>8,831,643</b>	<b>2,617,217</b>	<b>2,272,937</b>
<b>Geographical region:</b>				
Pakistan	8,589,813	8,447,910	2,617,217	2,272,937
Saudi Arabia	-	370,037	-	-
Canada	-	13,696	-	-
	<b>8,589,813</b>	<b>8,831,643</b>	<b>2,617,217</b>	<b>2,272,937</b>

## Notes to the Condensed Interim Financial Statements (Un-audited)

### For the nine month period ended 30 June 2024

	Note	(Un-audited) Nine month period ended		(Un-audited) Quarter Ended	
		30 June		30 June	
		2024	2023	2024	2023
<b>(Rupees in thousand)</b>					
<b>14. COST OF SALES</b>					
Raw materials consumed:					
Sugarcane purchased		7,434,171	6,004,499	157	126
Sugarcane development cess		42,492	49,147	-	-
Market committee fee		3,399	3,932	-	-
		7,480,062	6,057,578	157	126
<b>Other overheads:</b>					
Process materials		115,165	127,486	2,622	2,380
Fuel and power		39,843	35,726	15,402	15,792
Stores and spares consumed		103,020	77,241	18,659	16,456
Repairs and maintenance		18,491	24,359	2,391	709
Salaries, wages and other benefits	14.1	321,067	265,498	62,826	60,429
Rent, rates and taxes		945	817	239	168
Insurance		6,882	4,036	2,460	1,204
Conveyance and travelling		15,996	11,919	4,012	2,498
Depreciation on operating fixed assets		22,702	21,712	7,668	7,240
Ijarah rentals		3,571	3,771	1,190	1,190
Other expenses		15,041	11,815	341	274
		662,723	584,380	117,810	108,340
<b>Work-in-process</b>					
Add: Opening stock of sugar and molasses in process		4,790	4,232	6,146	4,657
Less: Closing stock of sugar and molasses in process		(6,249)	(4,650)	(6,249)	(4,650)
		(1,459)	(418)	(103)	7
Cost of sugar manufactured		8,141,326	6,641,540	117,864	108,473
Packing material consumed		70,134	77,770	8	(53)
Cost of sugar bagged		8,211,460	6,719,310	117,872	108,420
<b>Finished goods</b>					
Add: Opening stock		1,076,273	2,069,345	4,885,407	3,625,729
Less: Closing stock		(2,822,151)	(2,175,459)	(2,822,151)	(2,175,459)
		(1,745,878)	(106,114)	2,063,256	1,450,270
		6,465,582	6,613,196	2,181,128	1,558,690

14.1 This includes Rs. 2.059 million (2023: Rs. 1.983 million) in respect of employees' retirement benefits.

## Notes to the Condensed Interim Financial Statements (Un-audited)

### For the nine month period ended 30 June 2024

(Un-audited)  
Nine month period ended  
30 June

#### 15. EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share of the Company, which is based on:

		2024	2023
Profit attributable to ordinary shareholders	(Rupees in thousand)	<b>48,249</b>	201,552
Weighted average number of ordinary shares	(Numbers)	<b>12,011,096</b>	12,011,096
Earnings per share	(Rupees)	<b>4.02</b>	16.78

#### 16. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

There have been no significant changes in the risk management policies since the year end.

The condensed interim financial statements does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended September 30, 2023.

#### 17. CAPACITY AND PRODUCTION

	30 June 2024 Number	30 September 2023 Number
Approved / Installed Capacity (Metric tons)	<b>1,440,000</b>	1,440,000
No. of days	<b>92</b>	103
Actual crushing (Metric tons)	<b>679,859</b>	786,325
Sugar production from cane (Metric tons)	<b>67,793</b>	77,600
Recovery of sugar cane (percentage)	<b>9.97%</b>	9.87%

- 17.1** Actual production per day has been decreased as compared to designed capacity due to lower availability of sugar cane.
- 17.2** Designed crushing capacity has been stated as per record submitted to District Officer of Industries, Prices, Weights and Measures department.

## Notes to the Condensed Interim Financial Statements (Un-audited)

### For the nine month period ended 30 June 2024

#### 18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise associated companies, other related parties, staff retirement fund trust and key management personnel. The Company in the normal course of business carries out transactions with related parties. Detail of transactions with related parties are as follows:

NAME OF PARTIES	NATURE OF RELATIONSHIP	Nature of transactions	Note	30 June 2024			30 June 2023		
				Transactions during the period	Closing balance	Transactions during the period	Closing balance	Transactions during the period	CLOSING BALANCE
(Rupees in thousand)									
Shahtaj Textile Limited	Associated Company	Dividend received		7,475	-	-	14,950	-	183,133
		Long term investment		-	186,204	-	-	-	-
Shahnawaz (Private) Limited	Associated Company	Purchases and Services		280	-	437	-	-	-
		Utilities paid		326	-	256	-	-	-
		Loan obtained		150,000	-	-	-	-	-
		Loan repaid		150,000	-	-	-	-	-
		Mark-up payable		8,486	24,703	-	-	-	16,217
Shezan International Limited	Associated Company	Sale of sugar		371,194	-	585,105	-	-	350,696
Shezan Services (Pvt.) Ltd.	Associated Company	Interest charged		9,428	49,506	9,103	-	-	40,106
		Loan from associated Company		-	108,620	-	-	-	105,046
Information Systems Associates Limited	Associated Company	Purchases and Services		-	-	232	-	-	-
State Life Insurance Corporation of Pakistan	Directors of the Company are Key Management Personnel in S.L.I.C	Premium paid		236	-	185	-	-	-
KSB Pumps Company Limited	Common Directorship	Purchases made		8,988	-	12,574	-	-	1,274
Staff Provident Fund Trust		Contributions paid		4,027	942	4,179	-	-	-
Executives	Key Management Personnel	Remuneration and benefits		84,767	-	72,584	-	-	-

# Notes to the Condensed Interim Financial Statements (Un-audited)

## For the nine month period ended 30 June 2024

### 19 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation. However, no significant reclassification has been made during the period.

### 20 DATE OF AUTHORIZATION FOR ISSUE

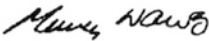
These condensed interim financial statements were authorized for issue on **29 July, 2024** by the Board of Directors of the Company.

### 21 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

No significant events have occurred subsequent to June 30, 2024 other than those mentioned elsewhere in the condensed interim financial statements.

### 22 GENERAL

Figures have been rounded off to the nearest rupees in thousand unless otherwise stated.



Chief Executive



Director



Chief Financial Officer







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
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