

CORPORATE BRIEFING SESSION

26th January 2024



Shahataj Sugar Mills Ltd.

PROFILE OF COMPANY

Shahtaj Sugar Mills Ltd. is one of the SHAHNAWAZ GROUP companies. It was incorporated on 27th March 1965 as a public limited company under the Companies Act, 1913 (Now Companies Act 2017). Sugar manufacturing & sale is the core business of the Company whereas molasses and bagasse are its significant by-products. It is one of the renowned sugar mills of the Punjab province and contributing to the economy since its inception. Company has also taken an initiative to enter into renewable energy project for generation & sale of electricity and has signed Energy Purchase Agreement and Implementation Agreement.

Head Office

72/C-1, M.M. Alam Road,
Gulberg-III, Lahore.
Phone : +92 42 3571 0482-84

Registered Office

19, Dockyard Road,
West wharf, Karachi.
Phone : +92 21 3231 3934-38

Production Facility

Mandi Bahauddin
Phone : +92 546 501 147-49



VISION, MISSION & CORPORATE STRATEGY

Our Vision

To succeed and grow to the utmost satisfaction of the customers, employees and shareholders.

Our Mission

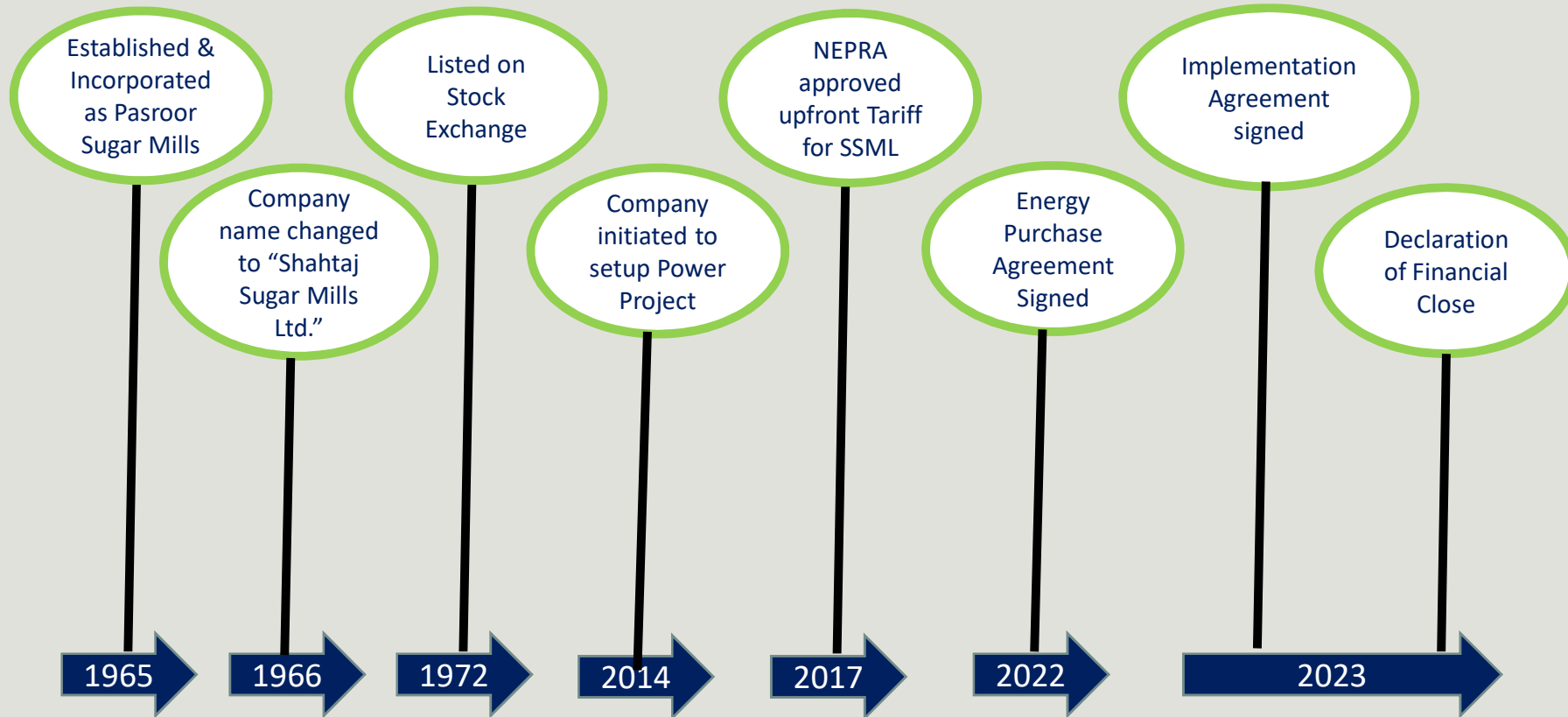
To strive for still higher levels of efficiency, productivity, cost effectiveness, profitability, customer satisfaction, congenial employees relations, profit sharing with shareholders and hence gaining further strength to continue to succeed and grow.

Our Corporate Strategy

To maximize effective utilization of men, material and machines, by encouraging, supporting and rewarding the employees, eliminating any waste, reducing costs, aiming and establishing Shahtaj Sugar Mills Limited as the most trusted, efficient and successful name among all stakeholders and customers.



COMPANY MILESTONES



CORPORATE SOCIAL RESPONSIBILITIES

Corporate Philanthropy

In recognition of its social responsibility towards mankind Company is regularly contributing reasonably to the various organizations and associations who have complete servicing infrastructure to serve the humanity and other living species.

Energy Conservation

In our continued quest to achieve optimum efficiency levels, all possible measures like intensive vapor bleeding, recycling of utilities, installation of various speed drives at centrifuges and cane carrier etc. are adopted, in order to conserve energy. Concerned technical personnel are regularly encouraged to participate in the seminars on energy conservation.

Community Investment

The Company is running a High School of excellent standards in the Mills residential area for employees' children. Company spends around 10 Million rupees per annum for the school.

Environmental Protection Measures

Being conscious to this social responsibility, company has undertaken following measures:

- ❖ Used water is recycled for irrigation purposes within and outside the Mills lands.
- ❖ Tree plantation at Mills lands to better the surrounding environment.



CORE BUSINESS ACTIVITIES

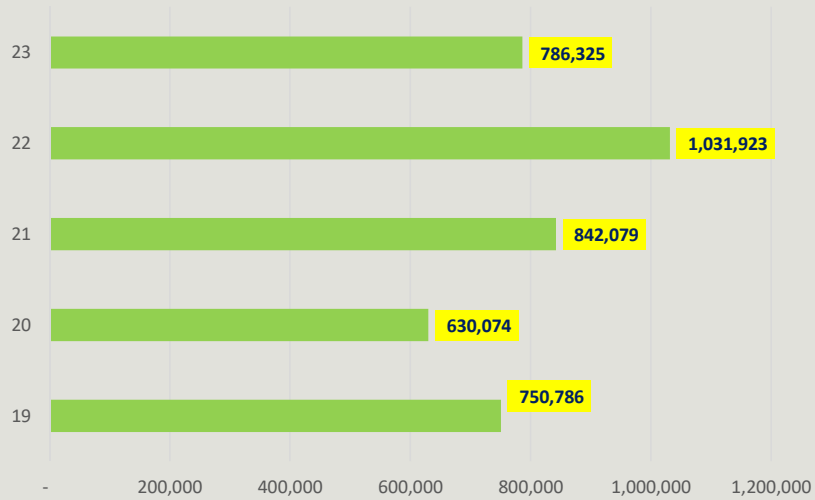
Sugarcane Crushing
(Installed Capacity)
12,000 M. Tons / day

KPIs	Unit	2023	2022	2021	2020	2019
Sugarcane Crushed	M.Tons	786,325	1,031,923	842,079	630,074	750,786
Sugar Production	M.Tons	77,600	91,603	81,181	59,204	74,585
Sugar Recovery	%	9.87	8.88	9.64	9.41	9.94
Crushing Period	Days	103	126	118	102	97

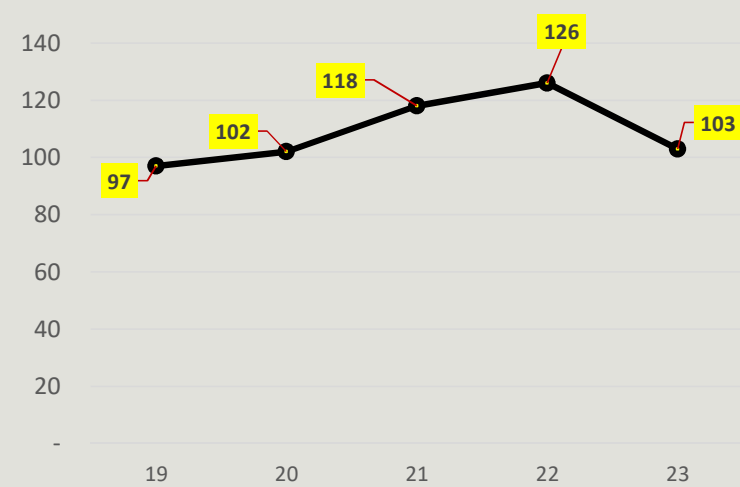


CORE BUSINESS ACTIVITIES

Sugarcane Crushing (M. Tons)

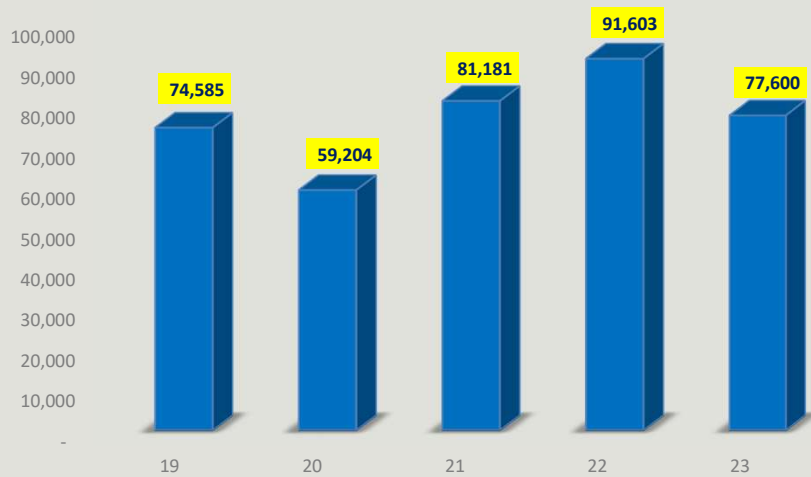


Crushing Period (Days)

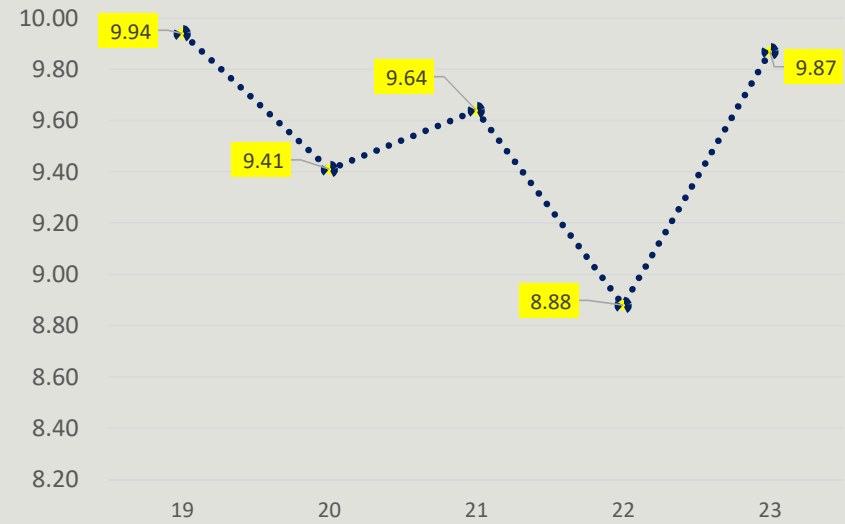


CORE BUSINESS ACTIVITIES

Sugar Production (M. Tons)



Sugar Recovery (%)



UPDATE ON POWER PROJECT

Year wise Evolution on 32 MW Bagasse based Power Generation Project

- | | |
|--|-----------------------------------|
| - GoP announced framework “Power Cogeneration 2013 Bagasse and Biomass” | 2013 |
| - Shahtaj Sugar Mills Ltd. opted to install power plant under the framework | 2014 |
| - Alternative Energy Development Board (AEDB) issued Letter of Intent to SSML | 2014 |
| - Issuance of Generation License to SSML by National Electric Power Regulatory Authority (NEPRA) | 2016 |
| - NEPRA approved Upfront Tariff for SSML | 2017 |
| - AEDB issued Letter of Support to SSML | 2017 |
| - NEPRA approved Energy Purchase Agreement | 2017 |
| - Cabinet Committee on Energy (CCOE) dis-allowed our power project | 2018 |
| - SSML filed a writ petition before Islamabad High Court against the decision of CCOE | 2018 |
| - The aforesaid decision was modified by CCOE | 2019 |
| - Revision of Upfront Tariff by NEPRA | 2022 |
| - Notification of Tariff in National Gazette of Pakistan | 2022 |
| - Energy Purchase Agreement - signed between SSML and Central Power Purchasing Agency (CPPA) | 2022 |
| - Signing of Implementation Agreement between SSML and AEDB | 2023 - Apr |
| - Declaration of Financial Close | 2023 - Jun |
| - Commercial Operation Date | (Expected) 2024 - Crushing Season |



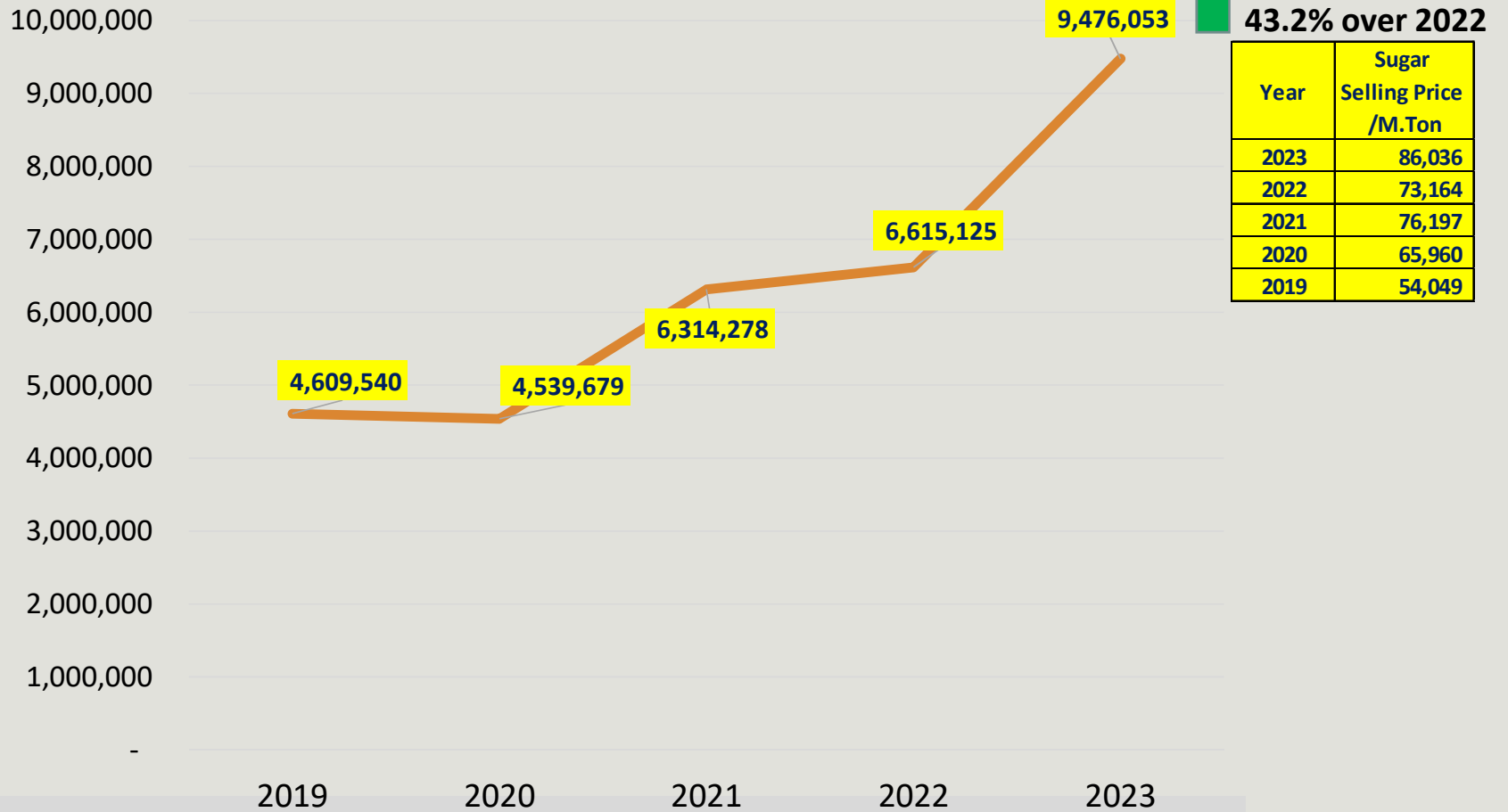
FINANCIAL INFORMATION

	2023	2022	2021	2020	2019
	----- (Rupees in Thousand) -----				
Sales Revenue	9,476,053	6,615,125	6,314,278	4,539,679	4,609,540
Cost of Sales	(7,885,007)	(5,841,353)	(5,503,573)	(4,151,015)	(4,189,472)
Gross Profit	1,591,046	773,772	810,705	388,664	420,068
Distribution, Administrative, Other expenses & Other Income	(442,992)	(292,339)	(262,994)	(248,338)	(227,704)
Finance Cost	(503,118)	(431,282)	(264,412)	(138,785)	(129,610)
Share of profit of associate	16,861	35,265	30,957	10,958	25,235
Profit before taxation	661,797	85,416	314,256	12,499	87,989
Taxation	(256,325)	(84,339)	(109,429)	(70,950)	(54,746)
Profit / (Loss) after taxation	405,472	1,077	204,827	(58,451)	33,243



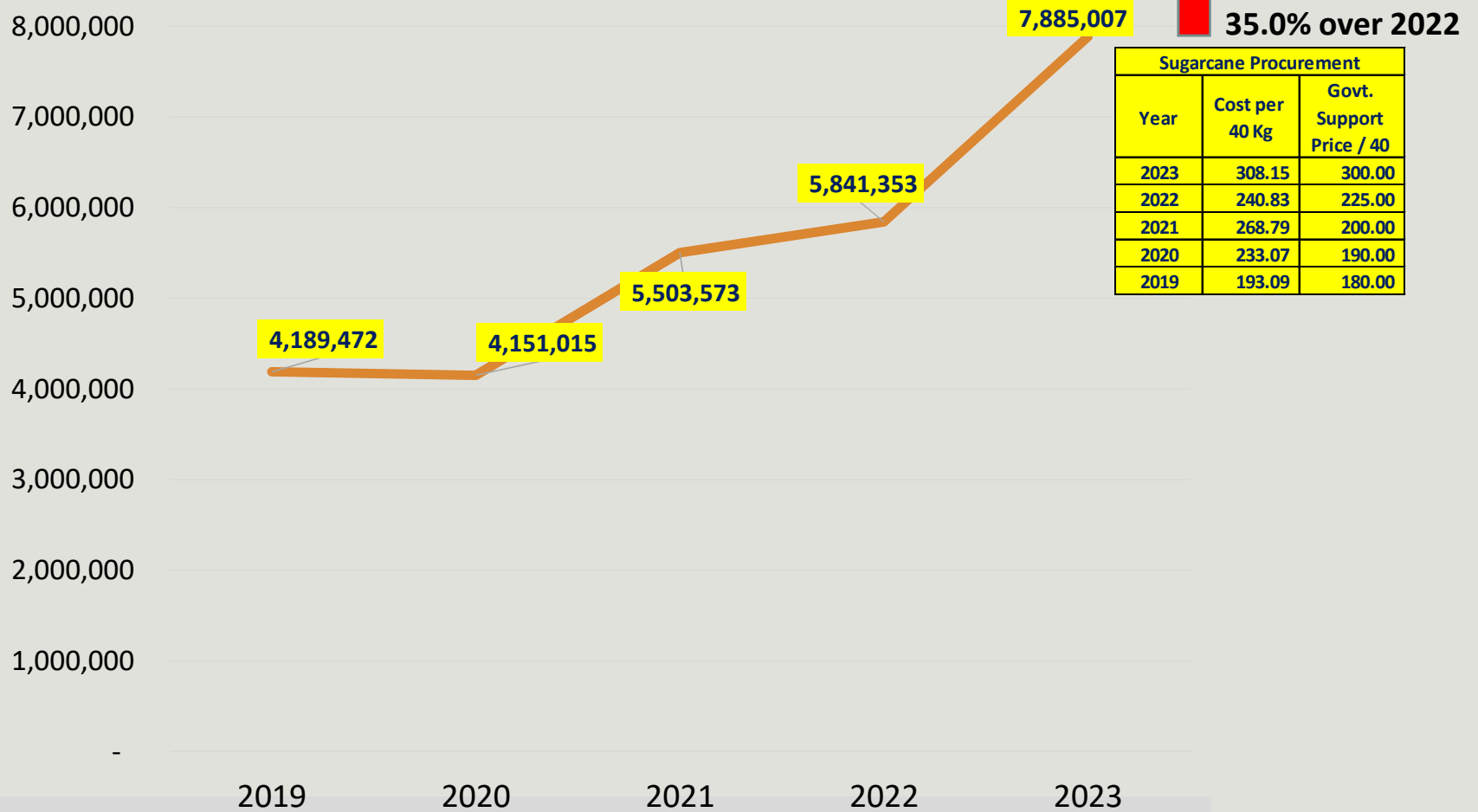
GRAPHICAL HIGHLIGHTS

Sales Revenue



GRAPHICAL HIGHLIGHTS

Cost of Sales

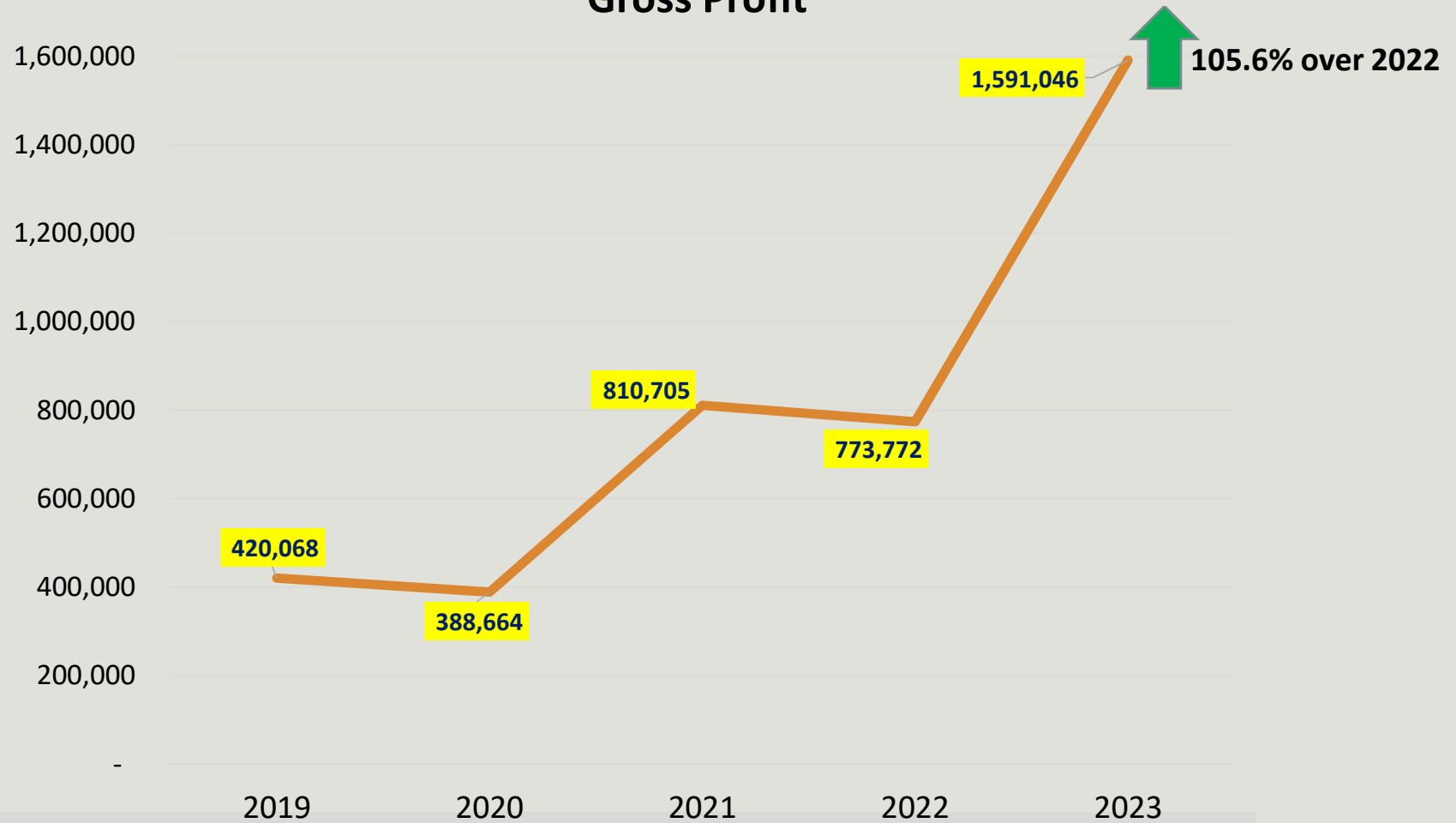


Sugarcane Procurement		
Year	Cost per 40 Kg	Govt. Support Price / 40
2023	308.15	300.00
2022	240.83	225.00
2021	268.79	200.00
2020	233.07	190.00
2019	193.09	180.00



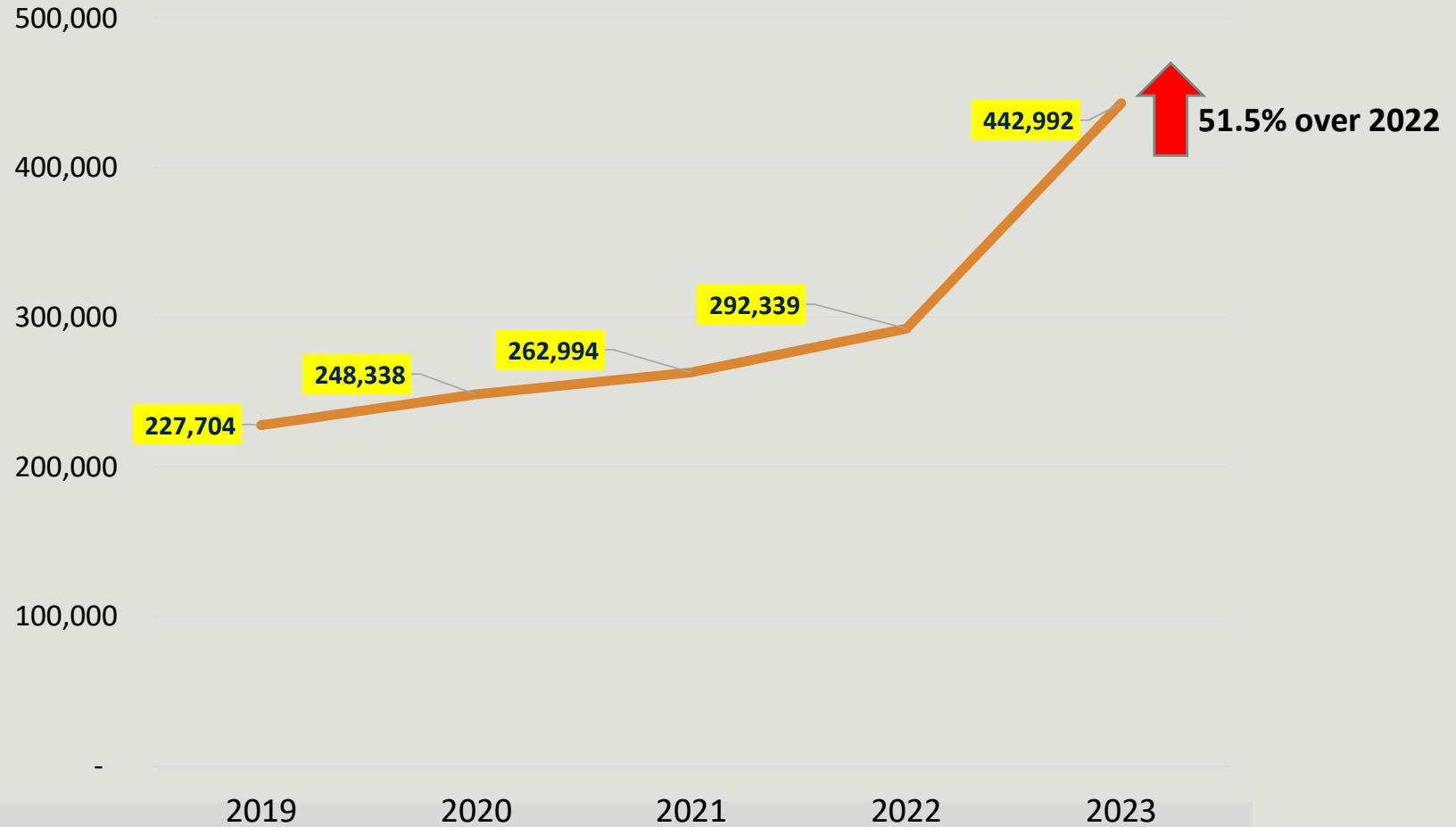
GRAPHICAL HIGHLIGHTS

Gross Profit



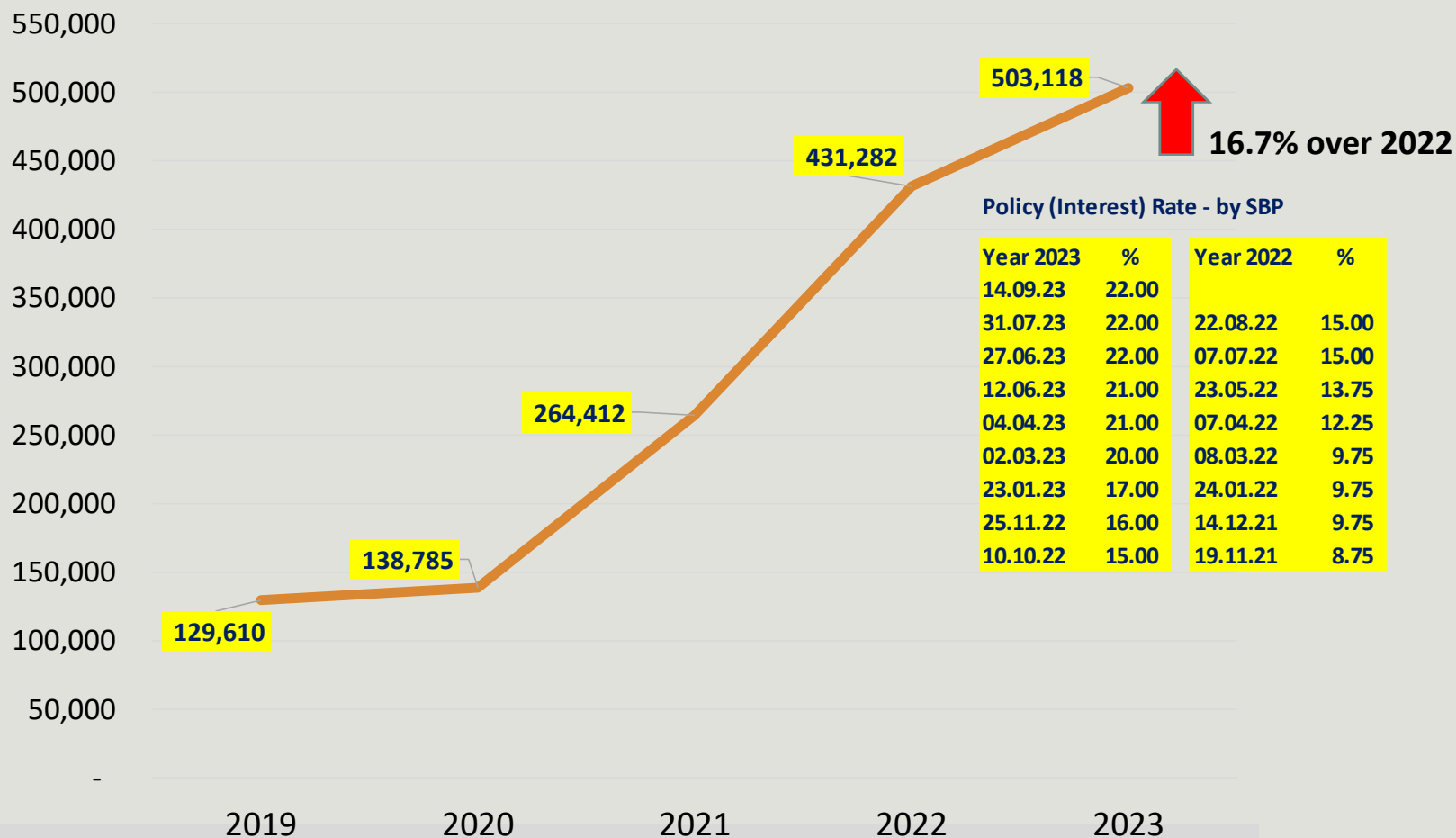
GRAPHICAL HIGHLIGHTS

Distribution, Admin., Other Expenses & Other Income



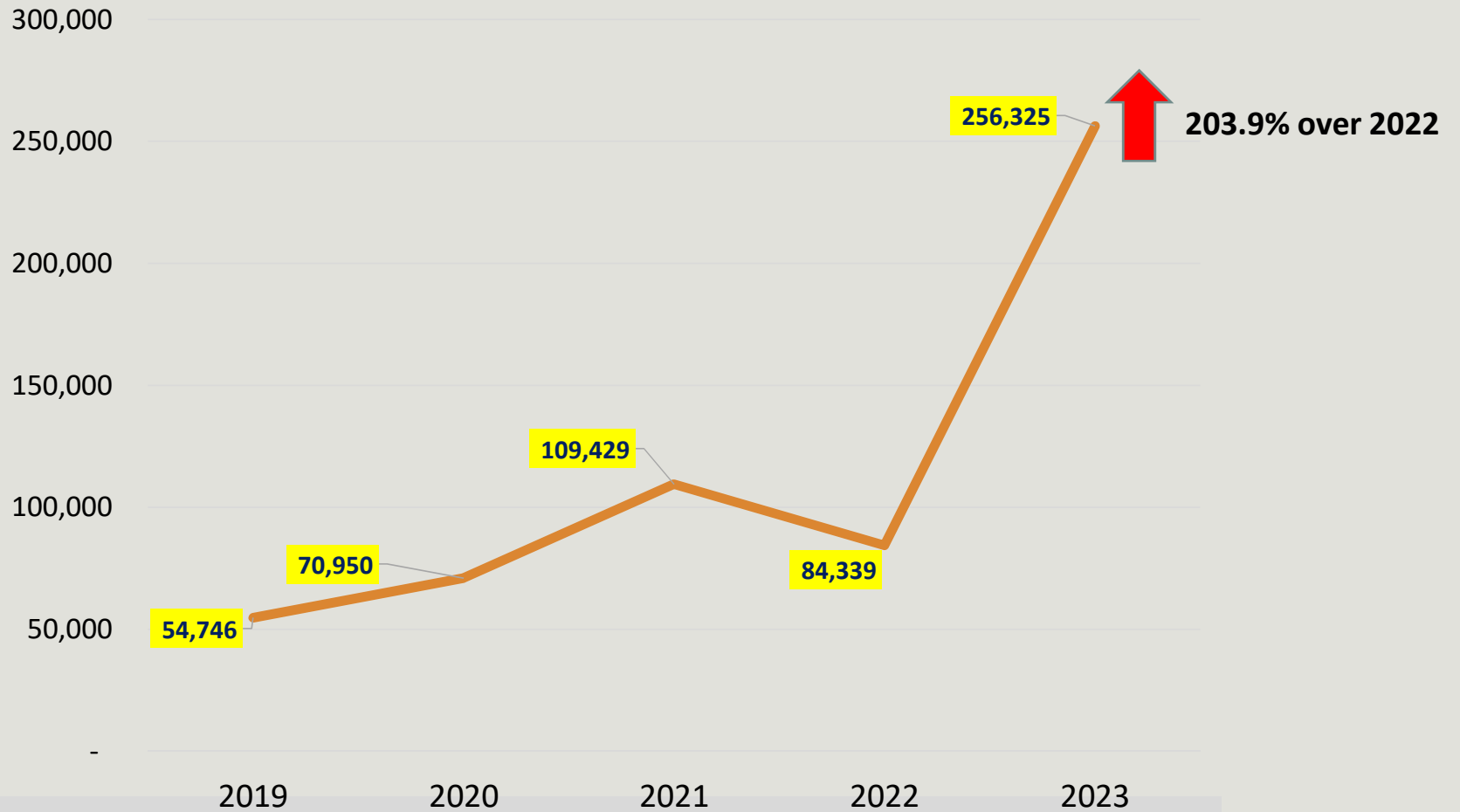
GRAPHICAL HIGHLIGHTS

Finance Cost



GRAPHICAL HIGHLIGHTS

Taxation



RISKS & UNCERTANITIES

The company is exposed to the following risks and uncertainties:

- Increased competition in local market due to sugarcane price war among neighboring mills.
- Hike in the fuel and electricity prices.
- Increase in prices of raw and packing material.
- Increased rates of taxes.
- Market disruption due to changes in tax laws and regulations
- Financial impact of delay in achieving COD of December 31, 2023 of Power Project due to delay of Transmission line by GEPCO.

We take these risks as a challenge with the confidence that Company has the ability to mitigate the impact of these risks.



FUTURE OUTLOOK

- Refined sugar is the key product of sugarcane industry in Pakistan. There is major government intervention in the sugar industry. As stated earlier, sugarcane prices are set by the government based on production cost of Sugarcane. The cane support prices are then diffused into retail sugar prices.
- Sugarcane crop area for the next crushing season, as based on survey conducted by our sugarcane department is reported to be less than last season. However, the weather conditions are favorable that will improve the yield per acre of sugarcane crop for the ongoing crushing season. Hopefully, favorable climatic conditions will lead to better sucrose content in the sugarcane planted in our area.
- The Punjab Government has notified the price of Sugarcane at Rs. 400/- per 40 kg. Last year it was Rs. 300/- per 40 kg. The government's decision to increase the minimum support price for sugarcane from Rs. 300/-to Rs. 400/- per 40 kg is noteworthy and could have implications for the financial aspects of the Company's Operation. We are putting our best efforts to procure maximum sugarcane from out zone as well as in zone.



FUTURE OUTLOOK – (continued)

- Commercial Operation Date (COD) of Power Project could not be achieved mainly due to non completion of transmission line being constructed by GEPCO. Due to this delay the financial benefits of Power Project will not be available to the Company in the year 2023-24 but hopefully in the following year.



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THANK YOU



QUESTIONS & ANSWERS

