



SHAHTAJ
SUGAR MILLS LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE HALF YEAR ENDED
31 MARCH 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.

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

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 E-mail : mail@shahtajsugar.com

Registered Office

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

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

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 six month period ended 31 March 2024.

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

Production Data		31 March	
		2024	2023
Start of Season		25.11.2023	25.11.2022
End of Season		25.02.2024	08.03.2023
Duration	Days	92	103
Sugarcane Crushed	(M. Tons)	679,859	786,325
Production:			
Sugar	(M. Tons)	67,793	77,600
Molasses	(M. Tons)	28,152	32,644
Recovery:			
Sugar	%	9.97	9.87
Molasses	%	4.14	4.15

We were able to produce 67,793 M. Tons of sugar i-e lower by about 12% than last season after crushing available sugarcane of our own area as well as from adjoining areas. The sugarcane crushed for the season was decreased because of lesser availability of sugarcane due to decrease in area under cultivation and price war among neighboring mills. We endeavored our best to procure maximum sugarcane from the outside areas to maximize the production but could not succeed due to lower sugarcane availability. In this season around 12% of sugarcane was purchased from outside areas. However, recovery percentage of sugar was better as compared with the corresponding period of last year due to healthy sugarcane crop with high sucrose contents and better weather conditions. Molasses recovery was almost same as compared with the corresponding period of last year.

The Government of Punjab raised the Notified Minimum Purchase Price of sugarcane for the current season from Rs. 300 to Rs. 400 per 40 kg. This substantial increase in the Minimum Purchase Price has led to the average sugarcane procurement cost rising to Rs. 441 per 40 kg for the season, compared to Rs. 308.14 per 40 kg during the corresponding season of 2022-2023. This represents an increase of nearly 43% over the last season. This significant rise in sugarcane purchase costs may negatively impact the financial performance of the Company.

During the six-month period under review, sugar prices were higher both internationally and locally compared to the corresponding period of last year. This increase in prices contributed positively to the industry. However, despite the rise in sugar prices, the industry's production costs remain high, resulting in relatively low profit margins. The sugar industry is in urgent need of export of sugar to prevent a surplus of sugar in the domestic market. Additionally, molasses prices were lower during this period compared to the same period of last year, due to a decline in international ethanol prices.

For the six month period, your Company recorded a turnover of Rs. 5,072.724 million as against Rs. 5,721.688 million in the corresponding period of 2023. The cost of sales was Rs. 4,284.454 million as against Rs. 5,054.506 million of the corresponding period. Thus, the Company has a gross profit of Rs. 788.270 million for the six month period ended 31 March 2024 as against a gross profit of Rs. 667.182 million of the corresponding period. The gross margin for the period was 15.54% as compared with 11.66% of the corresponding period. The increase in gross margin was due to increase in the prices of sugar during the six-month period under review. The net profit has been recorded to Rs. 198.383 million against the profit of Rs. 86.916 million of the corresponding period. The earnings per share is Rs. 16.52 against Rs. 7.24 of corresponding period of 2023. The finance cost for the period was Rs. 266.277 million as against Rs. 273.022 million of the corresponding period.

For the three month period ended 31 March 2024, your Company recorded a turnover of Rs. 2,603.272 million as against Rs. 3,890.231 million in the corresponding period of 2023. The cost of sales was Rs. 2,413.413 million as against Rs. 3,476.171 million of the corresponding period. Thus, the Company has a gross profit of Rs. 189.859 million for the three month period ended 31 March 2024 as against a gross profit of Rs. 414.060

million of the corresponding period. The net Loss has been recorded to Rs. 70.703 million against the profit of Rs. 44.733 million of the corresponding period. The Loss for the period under review attributed to high cost of sugarcane due to significant increase in Notified Price of sugarcane from Rs 300 per 40 Kg to Rs. 400 per 40 Kg. This, together with inflationary factors, has led to an enormous increase in the sugar production costs and increased working capital requirement. Along with all these, we committed timely payments to growers for sugarcane to ensure seamless supply during the crushing season. The Loss per share is Rs. (5.89) against Earnings per share of Rs. 3.72 of corresponding period of 2023. The finance cost for the period was Rs. 222.054 million as against Rs. 166.215 million of the corresponding period.

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.

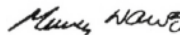
The Commercial Operation Date (COD) for the project was originally set for December 31, 2023, as per the EPA. However, due to issues related to the completion of the interconnection facility between the project's switch yard and Gujranwala Electric Power Company Limited (GEPCO)'s system, the COD could 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 June 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 June 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: 30 May 2024

ڈائریکٹرز رپورٹ برائے ممبران

نفع ۹۱۲-۸۱۶ روپے رپا۔ فی حصص آمدنی ۵۲-۱۶ روپے ہے جو گزشتہ سال اسی مدت میں ۲۳-۷ روپے فی حصص تھی۔ اس مدت کی مالیاتی لاگت ۲۷۷-۲۶۶ ملین روپے رہی جبکہ گزشتہ سال کے اسی عرصہ میں یہ رقم ۲۲-۵۳ ملین روپے تھی۔

اختتام شدہ سہ ماہی ۳۱ مارچ ۲۰۲۳ کے دوران آپ کے ادارے کی فروخت ۲۷۲-۲۶۰۳ ملین روپے رہی جو کہ ۲۰۲۳ کے اسی عرصہ میں ۲۳۱-۸۹۰ ملین روپے تھی۔ پیداواری لاگت ۲۰۱۳-۳۱۳ ملین روپے رہی جبکہ گزشتہ سال کے اسی عرصہ میں یہ رقم ۱۷۱-۱۷۶ ملین روپے تھی۔ اس طرح دوران اختتام شدہ سہ ماہی ۳۱ مارچ ۲۰۲۳ میں ادارے کو ۸۵۹-۱۸۹ ملین روپے کا مجموعی منافع ہوا جبکہ گزشتہ سال کے دورانیہ میں مجموعی منافع ۶۰-۱۳۱ ملین روپے تھا۔ خاص نقصان ۰۳-۷۰ ملین روپے رہا جبکہ اس کے مقابل گزشتہ سال مجموعی منافع ۳۳-۳۲ ملین روپے رہا۔ زبردانہ مدت میں خاص نقصان کی بنیادی وجہ گئے کی کم از کم مقرر کردہ قیمت میں ۳۰۰ روپے فی ۳۰ کلوگرام سے ۳۰۰ روپے فی ۳۰ کلوگرام تک اضافہ ہے۔ اس کے علاوہ افراد زر کے عوامل کے ساتھ، بچپنی کی پیداواری لاگت میں بے پناہ اضافہ اور ورکنگ سرمائے کی ضرورت میں اضافہ بھی خاص نقصان کا سبب بنا ہے۔ ان سب کے ساتھ، ہم نے گئے کے کاشتکاروں کو کریشنگ سیزن کے دوران بغیر کسی رکاوٹ کی فراہمی کو یقینی بنانے کے لیے بروقت ادائیگی کا عہد کیا۔ نقصان فی حصص (۵-۸۹) روپے ہے جو گزشتہ سال کی اسی مدت کے دوران فی حصص آمدنی ۴۲-۳ روپے تھی۔ اس مدت کی مالیاتی لاگت ۵۳-۲۲۲ ملین روپے رہی جبکہ گزشتہ سال کے اسی عرصہ میں یہ رقم ۲۱۵-۱۶۶ ملین روپے تھی۔

پاور پراجیکٹ کی تاثرین صورت حال

کینیڈا پراجیکٹ کی صلاحیت کے ساتھ گئے کی کوئٹی (پگاس) سے چلنے والے کو-جزیشن پاور پروجیکٹ قائم کرنے کے عمل میں ہے۔ اس منصوبے کی مالی اعانت قرض اور ایجوٹی کے استخراج سے کی جا رہی ہے۔ کینیڈا نیشنل الیکٹرک پاور ریگولیٹری اتھارٹی (پچرا) سے تیس سال کے لیے پاور جزییشن لائسنس اور اپ فرنٹ نیٹ (نظر ثانی شدہ مورخہ ۲۳ جنوری ۲۰۲۲) حاصل کیا ہے۔ کینیڈا نے پاور پراجیکٹ کے حوالے سے متبادل توانائی کے ترقیاتی بورڈ (اے۔ای۔ڈی۔بی) کی طرف سے جاری کردہ لیو آف انٹینٹ (ایل۔او۔آئی) کے مطابق دیگر تمام سگ سیل (اٹنسنر/منظوریات) حاصل کر لیے ہیں، بشمول نظر ثانی شدہ ازہی پر چیزا بگر سینٹ جس پر پچرا کی طرف سے جانچ پڑتال کے بعد درجہ دیکھے گئے ہیں۔ مزید برآں، ادارے اور حکومت پاکستان کے مابین عملدرآمد کے معاہدہ ۰۳ اپریل ۲۰۲۳ کو دستخط کیے گئے ہیں۔ کینیڈا نے ایم سی بی بینک لینڈ کے ساتھ پاور پروجیکٹ کے لیے سٹریٹجیک ٹرم فنڈنگ ایگریمنٹ کو حتمی شکل دے دی ہے۔ کینیڈا نے توانائی کے ترقیاتی ادارے (اے۔ای۔ڈی۔بی) کے ساتھ پاور پراجیکٹ کے مالیاتی اختتام کا ہدف بھی حاصل کر لیا ہے۔

بھلی خریداری کے معاہدہ کے مطابق منصوبے کی ابتدائی کمرشل آپریشن کی تاریخ ستمبر ۲۰۲۳ مقرر کی گئی تھی۔ تاہم منصوبے کے سوچے یاڑ اور گوجرانوالہ الیکٹرک پاور کینیڈا لینڈ (گنیپکو) کے سسٹم کے درمیان انٹرنکشن کی سہولت کی تکمیل سے متعلق مسائل کی وجہ سے کمرشل آپریشن کی تاریخ حاصل نہیں کیا جا سکا۔

سال کے دوران، گوجرانوالہ الیکٹرک پاور کینیڈا لینڈ کے ساتھ سوچے یاڑ اور گنیپکو کے سسٹم کے درمیان انٹرنکشن کی سہولت کی تکمیل کے لیے انٹرنکشن ورکس لون کے معاہدہ پر دستخط کیے گئے ہیں۔ کینیڈا نے انٹرنکشن ورکس لون معاہدے کی تعمیل میں انٹرنکشن سہولت کی تکمیل کے لیے گوجرانوالہ الیکٹرک سپلائی کمپنی کو ۸۰۰ ملین روپے کے قرض کی رقم منظور کی ہے۔ گوجرانوالہ الیکٹرک سپلائی کمپنی کو فریم ورکس سہولت کی تکمیل کرنے میں چیلنجز کا سامنا کرنا پڑا، جس کی بنیادی وجہ فریم ورکس سہولت لائن کے گزرنے کے مسائل ہیں جس کے نتیجے میں پراجیکٹ میں تاخیر ہوئی۔

ان مسائل کے نتیجے میں گنیپکو کی طرف سے انٹرنکشن کی سہولت کی تکمیل کی نئی توقع تاریخ جون ۲۰۲۳ مقرر کی گئی ہے۔ مزید برآں، آف سیزن کے دوران اینڈس (گئے کی کوئٹی) کی عدم دستیابی کی وجہ سے انٹرنکشن سہولت کی تکمیل کے بعد کمرشل آپریشن کا ہدف حاصل نہیں کیا جا سکتا۔ اس لیے کینیڈا نے اعلان سٹنرل پاور پر چیزنگ ایجنسی (کاہنی) سے اگلے کریشنگ سیزن تک کمرشل آپریشن کی تاریخ میں توسیع کی کوشش کر رہی ہے۔

آپ کے ڈائریکٹرز اس موقع پر کینیڈا پر فیمرز، اسٹاف ممبران اور تمام کارکنان کی جاں فشانی اور کام سے لگاؤ سے متعرف ہیں۔

برائے اور اطراف بورڈ آف ڈائریکٹرز

Munir Nawaz

منیر نواز
چیف ایگزیکٹو

Tariq

توقیر نواز
ڈائریکٹر

کراچی

۲۰۲۳ مئی ۳۰

ڈائریکٹرز رپورٹ برائے ممبران

بورڈ آف ڈائریکٹرز کی نمائندگی میں ہم انتہائی مسرت کے ساتھ غیر محاسب شدہ مختصر عبوری مالیاتی گوشوارہ برائے دورانیہ اختتام شدہ ششماہی ۲۰۲۳ء کی آپ کی خدمت میں پیش کرتے ہیں۔
پچھلے سال کے مقابلے موجودہ کرشناک میوزن کی آپریٹل کارکردگی کا خلاصہ ذیل میں پیش کیا گیا ہے۔

پیداواری اعداد و شمار

۲۰۲۳

۲۰۲۳ نومبر ۲۵
۲۰۲۳ مارچ ۰۸
۱۰۳ دن
۸۹،۳۲۵ میٹرک ٹن

۲۰۲۲

۲۰۲۲ نومبر ۲۵
۲۰۲۲ فروری ۲۵
۹۲ دن
۶۷،۸۵۹ میٹرک ٹن

آغاز میوزن

اختتام میوزن

دورانیہ میوزن

گئے کی پیمائی

پیداوار

تجینی

راب

پیداواری تناسب

تجینی

راب

۷۷،۶۰۰ میٹرک ٹن
۳۲،۶۳۲ میٹرک ٹن

۶۷،۸۵۹ میٹرک ٹن
۲۸،۱۵۲ میٹرک ٹن

۹۔۸۷ فیصد

۱۵۔۱۳ فیصد

۹۔۹۷ فیصد

۱۳۔۱۳ فیصد

اپنے علاقہ اور ملحقہ علاقہ جات میں موجود گنے کی کرشناک کے بعد، ۷۷،۸۵۹ میٹرک ٹن تجینی بنانے میں کامیاب ہوئے جو گذشتہ میوزن کے مقابلے تقریباً ۱۲ فیصد کم ہے۔ زیر کاشت رقبہ میں کمی، فی ایکڑ کم پیداوار اور گنے کی کم دستیابی اور پڑوسی ملوں کے درمیان قیمتوں میں لاگت بازی کی وجہ سے خریدے جانے والے گنے کی مقدار میں کمی واقع ہوئی۔ ہم نے زیادہ سے زیادہ گنے کی پیداوار کو بڑھانے کے لیے آؤٹ زون سے زائد گنے کی خریداری کی پوری کوشش کی تاہم گنے کی کم دستیابی کی وجہ سے کامیاب نہیں ہو سکے۔ اس میوزن میں صرف ۱۲ فیصد گنے کی خریداری بیرونی علاقوں سے کی گئی۔ تاہم تجینی کی بازیابی کی شرح گذشتہ سال کی اسی مدت کے مقابلے میں بہت بہتر تھی جس کی وجہ سے گنے کی صحت مند فصل، زیادہ سوکروں اور مواد اور بہتر موسمی حالات ہیں۔ پچھلے سال کی اسی مدت کے مقابلے میں راب کی وصولی کی شرح تقریباً ایک چھٹی رہی۔

حکومت پنجاب نے میوزن کے لیے گنے کی کم از کم قیمت خرید ۳۰۰ روپے فی ۳۰ کلوگرام سے بڑھا کر ۳۰۰ روپے فی ۳۰ کلوگرام کر دی ہے۔ گنے کی کم از کم قیمت خرید میں نمایاں اضافے کی وجہ سے میوزن کے لیے گنے کی خریداری کی اوسط لاگت ۳۱ فی ۳۰ کلوگرام رہی جبکہ گذشتہ میوزن یہ قیمت ۱۳۔۳۰ روپے فی ۳۰ کلوگرام تھی جو کہ پچھلے میوزن کے مقابلے میں تقریباً ۶٪ ۳۳ زیادہ ہے۔ گنے کی خریداری کی لاگت میں یہ اضافہ تجینی کی مالی کارکردگی کو کافی طور پر متاثر کرے گا۔

زیر جائزہ چھ ماہ کی مدت کے دوران تجینی کی قیمتیں گذشتہ سال کی اسی مدت کے مقابلے میں بین الاقوامی اور مقامی سطح پر زیادہ تھیں۔ قیمتوں میں اس اضافے نے صنعت کے لیے مثبت کردار ادا کیا۔ تاہم تجینی کی قیمتوں میں اضافے کے باوجود صنعت کی پیداواری لاگت زیادہ ہے جس کے نتیجے میں منافع کا مارجن بہت کم ہے۔ تجینی کی صنعت کو تجینی برآمد کرنے کی فوری ضرورت ہے تاکہ مقامی مارکیٹ میں تجینی کی اضافی مقدار کو روکا جاسکے۔ مزید برآں، بین الاقوامی اسٹینڈول کی قیمتوں میں کمی کی وجہ سے، پچھلے سال کی اسی مدت کے مقابلے میں اس عرصے کے دوران راب کی قیمتیں کم تھیں۔

اس ششماہی کے دوران، آپ کے ادارے کی فروخت ۷۲۳۔۵۰۷۲ ملین روپے رہی جو کہ ۲۰۲۳ کے اسی عرصہ میں ۶۸۸۔۵۷۲۱ ملین روپے تھی۔ پیداواری لاگت ۳۵۳۔۲۸۳۴ ملین روپے رہی جبکہ گذشتہ سال کے اسی عرصہ میں یہ تقریباً ۵۰۶۔۵۰۵۳ ملین روپے تھی۔ اس طرح اختتام شدہ ششماہی ۲۰۲۳ میں ادارے کو ۷۸۸۔۲۷۷۰ ملین روپے کا مجموعی منافع ہوا جبکہ گذشتہ سال کے دوران یہ مجموعی منافع ۱۸۲۔۶۶۷۰ ملین روپے تھا۔ اس مدت کے لیے کل منافع کی شرح ۵۳۔۱۵ فی صد رہی جبکہ گذشتہ سال اسی مدت میں یہ شرح ۶۶۔۱۱ فی صد تھی۔ مجموعی مارجن میں اضافہ زیر جائزہ چھ ماہ کی مدت کے دوران تجینی کی قیمتوں میں اضافے کی وجہ سے ہوا۔ خالص منافع ۳۸۳۔۱۹۸ ملین روپے رہا جبکہ اس کے مقابلے میں گذشتہ سال خالص

Independent Auditor's Review Report

To the members of Shahtaj Sugar Mills Limited Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of SHAHTAJ SUGAR MILLS LIMITED (the "Company") as at March 31, 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matters

The figures for the quarters ended March 31, 2024 and March 31, 2023 in the condensed interim statement of profit or loss and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The condensed interim financial statements of Shahtaj Sugar Mills Limited for the half year ended March 31, 2023 and for the year ended September 30, 2023 were reviewed and audited by another firm of chartered accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated May 26, 2023 and January 04, 2024, respectively.

The engagement partner on the review resulting in this independent auditor's review report is Sajjad Hussain Gill.

Lahore
Date: 30 May 2024
UDIN: RR202410087a0HLFDnNJ

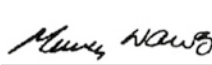


BDO EBRAHIM & CO.
Chartered Accountants


Condensed Interim Statement of Financial Position
As at 31 March 2024

		(Un-audited) 31 December 2024	(Audited) 30 September 2023
	Note	(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	5,269,512	4,576,692
Long term investment	9	186,204	191,713
Long term loans		43,599	39,904
Long term deposits		40,256	40,256
		5,539,571	4,848,565
CURRENT ASSETS			
Stores, spares and loose tools		250,504	209,519
Stock-in-trade		4,894,465	1,081,609
Trade debts		335,231	65,924
Loans and advances	10	128,784	61,029
Short term prepayments		10,577	4,211
Advance income tax - net		54,916	61,163
Cash and bank balances		61,942	89,287
		5,736,419	1,572,742
		11,275,990	6,421,307
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
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		66,546	36,318
Loans from directors		126,000	126,000
		3,419,794	3,389,566
NON-CURRENT LIABILITIES			
Long term financing	11	1,568,535	1,217,177
Loan from associated Company		107,662	106,004
Lease liabilities		13,753	17,676
Retirement benefits obligations		35,588	33,458
Deferred taxation - net		88,870	86,218
		1,814,408	1,460,533
CURRENT LIABILITIES			
Trade and other payables		1,082,470	307,088
Contract liabilities		395,848	112,409
Short term borrowings	12	4,170,772	979,541
Accrued mark-up		364,084	162,832
Current portion of non-current liabilities		2,763	1,992
Unpaid dividend		21,850	7,346
Unclaimed dividend		4,001	-
		6,041,788	1,571,208
		11,275,990	6,421,307
TOTAL EQUITY AND LIABILITIES			
CONTINGENCIES AND COMMITMENTS			
	13		

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.


Chief Executive


Director

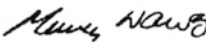

Chief Financial Officer

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

For the half year ended 31 March 2024

	Note	Half Year Ended 31 March		Quarter Ended 31 March	
		2024	2023	2024	2023
(Rupees in thousand)					
Revenue from contracts with customers	14	5,072,724	5,721,688	2,603,272	3,890,231
Cost of sales	15	(4,284,454)	(5,054,506)	(2,413,413)	(3,476,171)
Gross profit		788,270	667,182	189,859	414,060
Distribution cost		(12,764)	(14,500)	(6,808)	(9,999)
Administrative expense		(213,003)	(175,367)	(118,754)	(100,830)
Other operating (expense) / income		(23,338)	(18,536)	8,402	(12,090)
		(249,105)	(208,403)	(117,160)	(122,919)
		539,165	458,779	72,699	291,141
Other income		20,721	30,506	14,706	23,909
Operating profit		559,886	489,285	87,405	315,050
Finance cost		(266,277)	(273,022)	(222,054)	(166,215)
		293,609	216,263	(134,649)	148,835
Share of profit of associate - net of tax	9	1,966	7,641	1,966	7,641
Profit / (loss) before taxation		295,575	223,904	(132,683)	156,476
Taxation		(97,192)	(136,988)	61,980	(111,743)
Profit after taxation		198,383	86,916	(70,703)	44,733
Earnings per share / (loss) - basic and diluted (Rupees)	16	16.52	7.24	(5.89)	3.72

The annexed notes from 1 to 23 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 half year ended 31 March 2024

	Half Year Ended 31 March		Quarter Ended 31 March	
	2024	2023	2024	2023
	(Rupees in thousand)			
Profit after taxation	198,383	86,916	(70,703)	44,733
Other comprehensive income				
Items that will not be reclassified to 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	198,383	86,916	(70,703)	44,733

The annexed notes from 1 to 23 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 half year ended 31 March 2024

	RESERVES						TOTAL EQUITY	
	CAPITAL			REVENUE				
	SHARE CAPITAL	Share premium	Surplus on revaluation of property, plant and equipment	General reserve	Un-appropriated profits	Total		LOANS FROM DIRECTORS
				(Rupees in thousand)				
Balance as at 01 October 2022 (audited)	120,111	27,534	1,928,484	1,145,167	(864,127)	2,737,058	146,000	3,003,169
Profit after taxation for the period	-	-	-	-	86,916	86,916	-	86,916
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	86,916	86,916	-	86,916
Balance as at March 31, 2023 - (un-audited)	120,111	27,534	1,928,484	1,145,167	(277,211)	2,823,974	146,000	3,090,085
Balance as at October 01, 2023 - (audited)	120,111	27,534	1,928,484	1,151,119	36,318	3,143,465	126,000	3,389,566
Transaction with owners:								
Final cash dividend 2023: Rs. 14 per share	-	-	-	-	(168,155)	(168,155)	-	(168,155)
Profit after taxation for the period	-	-	-	-	198,383	198,383	-	198,383
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period (unaudited)	-	-	-	-	198,383	198,383	-	198,383
Balance as at March 31, 2024 (unaudited)	120,111	27,534	1,928,484	1,151,119	66,546	3,173,683	126,000	3,419,794

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.


Chief Executive


Director

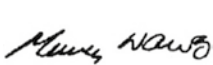

Chief Financial Officer

Condensed Interim Statement of Cash Flows (Un-audited)

For the half year ended 31 March 2024

Note	Half Year Ended 31 March	
	2024	2023
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	295,575	223,904
Adjustments for non-cash and other items:		
Depreciation on operating fixed assets	8 17,266	16,342
Depreciation on right-of-use asset	8 1,318	1,318
Finance cost	266,277	273,022
Profit on bank deposits	(13,772)	(4,080)
Share of profit from associate	9 (1,966)	(7,641)
Reversal of fair value adjustment on loan to GEPCO	(3,961)	-
Fair value adjustment due to impact of IFRS-9	1,658	1,457
Gain on disposal of operating fixed assets	8 (415)	(928)
Provision for retirement benefits obligations	3,058	2,588
Allowance for expected credit losses (ECL) against trade debts	-	128
Reversal of allowance for ECL against advances to suppliers	-	(60)
Reversal of allowance for ECL against advances to employees	(402)	(236)
Provision for leave encashment	820	1,736
Fair value adjustment on financial assets	(250)	1,820
Net cash flow before working capital changes	565,206	509,370
Working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(40,985)	(28,219)
Stock-in-trade	(3,812,856)	(1,558,080)
Trade debts	(269,307)	(62,164)
Loans and advances	(67,353)	42,752
Short term prepayments	(6,366)	(5,450)
Other receivables	-	(12)
	(4,196,867)	(1,611,173)
Increase in current liabilities		
Trade and other payables	775,005	1,027,701
Contract liabilities	283,439	610,171
Cash (used in) / generated from operations	(2,573,217)	536,069
Income tax paid	(88,293)	(26,327)
Finance cost paid	(152,354)	(253,314)
Profit on bank deposits received	13,772	4,080
Leave encashment paid	(443)	(141)
Retirement benefits paid	(927)	(641)
Net cash (used in) / generated from operating activities	(2,801,463)	259,726
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to operating fixed assets - net	8 (623,400)	(127,259)
Proceeds from sale of operating fixed assets	900	-
Increase in long term deposits	-	(5,976)
Increase in long term loans	516	(4,068)
Dividend received from associate	9 7,475	14,951
Net cash used in investing activities	(614,509)	(122,352)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term financing	11 351,358	(153,694)
Payment against lease liabilities	(4,312)	(3,022)
Dividend paid	(149,650)	(7)
Short term borrowings-net	3,191,231	20,853
Net cash generated from / (used in) financing activities	3,388,627	(135,870)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(27,345)	1,504
Cash and cash equivalents at the beginning of the period	89,287	36,538
Cash and cash equivalents at the end of the period	61,942	38,042

The annexed notes from 1 to 23 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 half year ended 31 March 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 license 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 but subject to the limited scope review by the auditors and is 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.
- 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

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

For the half year ended 31 March 2024

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 half year ended March 31, 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.

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

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

For the half year ended 31 March 2024

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. TAXATION

The provisions for taxation for the half year and quarter ended March 31, 2024, have been made using the estimated effective tax rate applicable to expected total annual earnings. The applicable income tax rate for the Tax Year 2025 is 29%. Income tax expense is recognized in each interim period based on best estimate of the weighted average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

7. 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)
		31 March 2024	30 September 2023
(Rupees in thousand)			
8. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	8.1	2,515,729	2,510,771
Capital work-in-progress	8.2	2,741,917	2,052,737
Right-of-use asset	8.3	11,866	13,184
		5,269,512	4,576,692
8.1 Operating fixed assets			
Opening net book value (NBV)		2,510,771	2,511,032
Additions (at cost) during the period / year	8.1.1	22,709	34,427
		2,533,480	2,545,459
Disposals (at NBV) during the period / year		(485)	(1,332)
Depreciation charged during the period / year		(17,266)	(33,356)
		(17,751)	(34,688)
Closing net book value (NBV) at the end of the period / year		2,515,729	2,510,771
8.1.1 Details of additions (at cost) during the period / year are as follows:			
Plant and machinery	8.2.2	16,021	26,046
Motor vehicles		5,965	7,393
Furniture and fittings		-	23
Office equipment		723	965
		22,709	34,427

8.1.2 Freehold land of the Company are located at Kuthiala Saidan, Mandi 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 half year ended 31 March 2024

	Note	(Un-audited)	(Audited)
		31 March 2024	30 September 2023
(Rupees in thousand)			
8.2 CAPITAL WORK IN PROGRESS			
Civil works and buildings	8.2.1	74,026	53,640
Plant and machinery	8.2.2	1,450,754	1,087,003
Other directly attributable overheads	8.2.3	932,248	753,601
Advances to suppliers	8.2.4	284,889	158,493
		2,741,917	2,052,737
8.2.1 Civil works and buildings			
Opening balance at the start of the period / year		53,640	50,471
Additions (at cost)		20,386	3,169
Closing balance at the end of the period / year		74,026	53,640
8.2.2 Plant and machinery			
Opening balance at the start of the period / year		1,087,003	1,057,752
Additions (at cost)		379,772	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	8.2.2.1	1,450,754	1,087,003

8.2.2.1 This includes stores and spares held for capitalization is amounting to Rs. 412.315 million (September 30, 2023: Rs. 262.198 million).

	Note	(Un-audited)	(Audited)
		31 March 2024	30 September 2023
(Rupees in thousand)			
8.2.3 Other directly attributable overheads			
Opening balance at the start of the period / year		753,601	556,472
Additions (at cost)	8.2.3.1	178,647	197,129
Transferred to operating fixed assets		-	-
Closing balance at the end of the period / year		932,248	753,601

8.2.3.1 This includes borrowing cost amounting to Rs. 165.53 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 half year ended 31 March 2024

Note	(Un-audited)	(Audited)
	31 March 2024	30 September 2023
(Rupees in thousand)		
8.2.4 Advances to suppliers		
Opening balance at the start of the period / year	158,493	50,313
Additions (at cost)	132,007	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	284,889	158,493

8.3 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	(1,318)	(2,637)
Closing net book value (NBV) at the end of the period / year	11,866	13,184
Annual rate (%) of depreciation	11.11	11.11

8.3.1 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.

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

Note	(Un-audited)	(Audited)
	31 March 2024	30 September 2023
(Rupees in thousand)		
9 LONG TERM INVESTMENT		
Investment in associate (with significant influence)		
- under equity method Shahtaj Textile Limited	9.1	11,500
1,150,000 (2023: 1,150,000) ordinary shares of Rupees 10 each		
Share of post acquisition changes in investee's net assets:		
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)
	174,704	180,213
	186,204	191,713

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

For the half year ended 31 March 2024

- 9.1** 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.
- 9.2** 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.
- 9.3** 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)
		31 March 2024	30 September 2023
(Rupees in thousand)			
10 LOANS AND ADVANCES			
Considered good			
Advances to employees	10.1	4,358	2,395
Advances to contractors		4,722	1,425
Advances to cane growers	10.2	97,687	12,818
Advances to suppliers		18,751	40,970
Current portion of long term loans		3,266	3,421
		128,784	61,029
Considered doubtful:		1,319	1,721
		130,103	62,750
Allowance for expected credit losses		(1,319)	(1,721)
		128,784	61,029

- 10.1** 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.
- 10.2** This include advances to various sugar cane growers in the form of fertilizers, seeds and pesticides. These advances are secured, interest free and will be adjusted in sugar cane payment.

	Note	(Un-audited)	(Audited)
		31 March 2024	30 September 2023
(Rupees in thousand)			
11 LONG TERM FINANCING			
Secured:			
Banking Company			
MCB Bank Limited	11.1	1,568,535	1,217,177

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

For the half year ended 31 March 2024

- 11.1** 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, 2022: Rs. 2.8 billion) and has been 56.02% utilized as at the reporting date. During the period, the Company obtained the loan amounting to Rs. 351.358 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%).
- 11.2** 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)	
	31 March 2024	30 September 2023	
(Rupees in thousand)			
12	SHORT TERM BORROWINGS		
	Secured:		
	Banking companies		
12.1			
	Cash finance (Conventional financing)	3,171,479	142,349
	Running finance	452,303	330,228
	Islamic mode of financing	396,990	506,964
		4,020,772	979,541
	Unsecured:		
	Associated Company		
	Shahnawaz (Private) Limited	150,000	-
12.2		4,170,772	979,541

- 12.1** 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.
- 12.2** This represents an unsecured loan obtained from Shahnawaz (Private) Limited, an associated Company, to meet working capital needs on March 19, 2024, at a below-market interest rate of 20.5% per annum. The terms of the loan agreement stipulate that the principal loan amount, along with the accrued markup, is repayable on or before June 20, 2024. The effect of discounting is insignificant due to the low difference between the market interest rate and the loan rate.

13 CONTINGENCIES AND COMMITMENTS

13.1 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.

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

For the half year ended 31 March 2024

13.2 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 Ujarah payments under Ijarah are as follows:

Note	(Un-audited)	(Audited)
	31 March 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	20,679	23,726
	28,460	31,513

- b) Contracts for capital expenditure are approximately amounting to Rs. 145.653 million (September 30, 2023: Rs. 389.703 million).

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

For the half year ended 31 March 2024

	(Un-audited) Half Year Ended 31 March		(Un-audited) Quarter Ended 31 March	
	2024	2023	2024	2023
	(Rupees in thousand)			
14. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET				
Gross revenue	5,972,596	6,558,706	3,050,794	4,407,979
Less:				
Broker's commission on sugar / molasses	9,983	9,072	6,442	5,082
Sales tax	883,089	820,740	437,812	508,655
Withholding tax on sales	6,800	7,206	3,268	4,011
	899,872	837,018	447,522	517,748
	5,072,724	5,721,688	2,603,272	3,890,231
Set out below is the disaggregation of the Company's revenue from contracts with customers:				
Major Products:				
Sugar	5,504,713	5,547,063	2,602,786	3,411,794
Molasses	281,479	826,576	281,400	826,576
Bagasse	171,617	173,804	157,304	160,721
Press mud	14,787	11,263	9,304	8,888
Gross revenue	5,972,596	6,558,706	3,050,794	4,407,979
Geographical region:				
Pakistan	5,972,596	6,174,973	3,050,794	4,024,246
Saudi Arabia	-	370,037	-	370,037
Canada	-	13,696	-	13,696
	5,972,596	6,558,706	3,050,794	4,407,979

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

For the half year ended 31 March 2024

	Note	(Un-audited) Half Year Ended		(Un-audited) Quarter Ended	
		31 March		31 March	
		2024	2023	2024	2023
(Rupees in thousand)					
15. COST OF SALES					
Raw materials consumed:					
Sugarcane purchased		7,434,014	6,004,373	4,669,265	4,063,987
Sugarcane development cess		42,492	49,147	25,446	32,993
Market committee fee		3,399	3,932	2,035	2,640
		7,479,905	6,057,452	4,696,746	4,099,620
Other overheads:					
Process materials		112,543	125,106	65,474	83,661
Fuel and power		24,441	19,934	9,686	7,071
Stores and spares consumed		84,361	60,785	39,075	27,738
Repairs and maintenance		16,100	23,650	3,249	14,748
Salaries, wages and other benefits	15.1	258,241	205,069	139,715	130,580
Rent, rates and taxes		706	649	250	219
Insurance		4,422	2,832	2,328	1,528
Conveyance and travelling		11,984	9,421	5,808	4,747
Depreciation on operating fixed assets		15,034	14,472	7,581	7,223
Ijarah rentals		2,381	2,581	1,191	1,513
Other expenses		14,700	11,541	11,320	10,939
		544,913	476,040	285,677	289,967
Work-in-process					
Add: Opening stock of sugar and molasses in process		4,790	4,232	57,130	32,478
Less: Closing stock of sugar and molasses in process		(6,146)	(4,657)	(6,146)	(4,657)
		(1,356)	(425)	50,984	27,821
Cost of sugar manufactured		8,023,462	6,533,067	5,033,407	4,417,408
Packing material consumed		70,126	77,823	41,082	55,030
Cost of sugar bagged		8,093,588	6,610,890	5,074,489	4,472,438
Finished goods					
Add: Opening stock		1,076,273	2,069,345	2,224,331	2,629,462
Less: Closing stock		(4,885,407)	(3,625,729)	(4,885,407)	(3,625,729)
		(3,809,134)	(1,556,384)	(2,661,076)	(996,267)
		4,284,454	5,054,506	2,413,413	3,476,171

15.1 This includes Rs. 1.399 million (2023: Rs. 1.344 million) in respect of employees' retirement benefits.

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

For the half year ended 31 March 2024

		(Un-audited) Half Year Ended 31 March	
		2024	2023
16. EARNINGS PER SHARE - BASIC AND DILUTED			
There is no dilutive effect on the basic earnings per share of the Company, which is based on:			
Profit attributable to ordinary shareholders	(Rupees in thousand)	198,383	86,916
Weighted average number of ordinary shares	(Numbers)	12,011,096	12,011,096
Earnings per share	(Rupees)	16.52	7.24

17. 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.

18. CAPACITY AND PRODUCTION

	31 March 2024 Number	30 September 2023 Number
Installed crushing capacity (Metric tons) for 92 (2023: 103) working days	1,104,000	1,236,000
Actual crushing (Metric tons)	679,859	786,325
Actual sugar production from cane (Metric tons)	67,793	77,600
Recovery of sugar cane (percentage)	9.97%	9.87%

- 18.1** Actual production per day has been decreased as compared to designed capacity due to lower availability of sugar cane.
- 18.2** 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 half year ended 31 March 2024

19. 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	31 March 2024		31 March 2023	
				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	-
		Long term investment		-	186,204	-	183,133
Shahnawaz (Private) Limited	Associated Company	Purchases and Services		142	-	181	-
		Utilities paid		183	-	296	-
		Loan obtained	12	150,000	150,000	100,000	-
		Loan repaid		-	-	100,000	-
		Mark-up payable		1,092	17,310	-	16,217
Shezan International Limited	Associated Company	Sale of sugar		234,160	-	408,105	-
		Trade debts		-	111,540	-	-
Shezan Services (Pvt.) Ltd.	Associated Company	Interest charged		6,208	44,628	5,982	40,078
		Loan from associated Company		-	107,662	-	104,188
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	-
Staff Provident Fund Trust		Contributions paid		3,083	-	2,804	-
Executives	Key Management Personnel	Remuneration and benefits		65,928	-	47,806	-

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

For the half year ended 31 March 2024

20 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.

21 DATE OF AUTHORIZATION FOR ISSUE

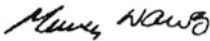
These condensed interim financial statements were authorized for issue on **30 May 2024** by the Board of Directors of the Company.

22 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

No significant events have occurred subsequent to March 31, 2024 other than those mentioned elsewhere in the condensed interim financial statements.

23 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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