



Shahtaj Sugar Mills Limited

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Our Ref.SSM-12/2019

May 30, 2019

The General Manager,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
KARACHI

Disclosure for Pakistan Stock Exchange 32 MW Bagasse Based Co-Generation Power Project

As informed earlier we are in the process of setting up a Bagasse based Power Project of installed Gross capacity of 32 MW. Initially we will produce/generate electricity of 22.85 MW from our Power Plant. However, we will supply 15 MW to the National Grid. Alhamdulillah, Two steam turbines of generation capacity of 16MW each have been installed successfully. Work on the construction of Switch Yard of 132 KV is in progress. Further, we would like to inform you that your Company has been granted Generation License and Upfront Tariff for 30 years by National Electric Power Regulatory Authority (NEPRA). We had negotiated and finalized the Energy Purchase Agreement (EPA) with Central Power Purchasing Agency (CPPA) which was subsequently approved by the Board of Directors of CPPA on 14 July 2017.

Now the CPPA is reluctant to sign off the negotiated EPA with the reason that Cabinet Committee on Energy (CCoE) impose a restriction on signing / execution of Energy Purchase Agreements with Bagasse based power projects. We along with five (5) other Bagasse Based Cogeneration power projects filed writ petitions in Honorable Islamabad High Court against Federation of Pakistan, CPPA (G) L, NEPRA and others against the impugned decision of CCoE. We are hopeful about favorable outcome of the writ petition which will have a positive impact on the Company.

Yours faithfully,
For SHAHTAJ SUGAR MILLS LIMITED

(JAMIL AHMAD BUTT)
Company Secretary

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