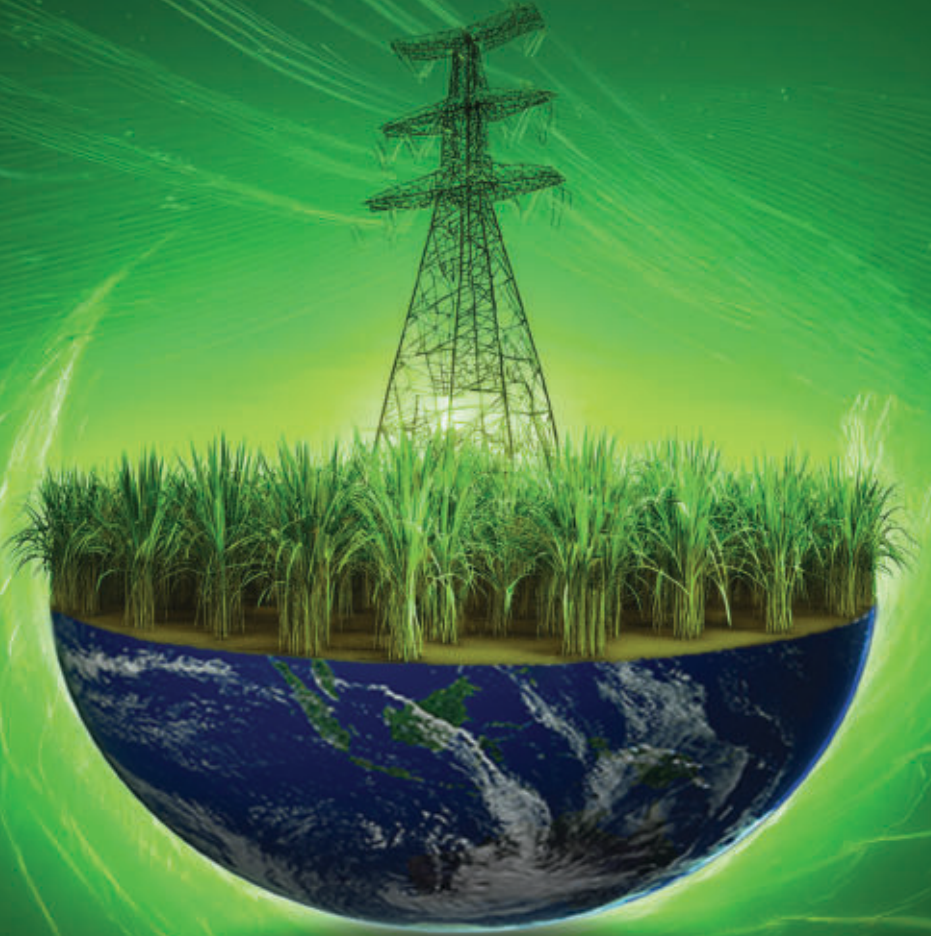




SHAHTAJ
SUGAR MILLS LIMITED



**CONDENSED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE THREE MONTH PERIOD ENDED
31 DECEMBER 2024**

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Company Information

BOARD OF DIRECTORS

Mr. Toqueer Nawaz	Chairman
Mr. Muneer Nawaz	Chief Executive
Mrs. Samia Shahnawaz Idris	
Mr. Rashed Amjad Khalid	
Mr. Abid Nawaz	
Mrs. Sadia Muhammad	
Ms. Ava Ardeshir Cowasjee	
Mr. Mushtaq Ahmad	S.L.I.C.
Mr. Asim Rafiq	N.I.T.
Mr. Zahid Ullah Khan	

COMPANY SECRETARY

Mr. Jamil Ahmad Butt, FCMA

CHIEF FINANCIAL OFFICER

Mr. Waqar Ahmad, FCA

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

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

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 Road, 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 FOR REPORT DOWNLOAD



Directors' Report to the Members

Your Directors have pleasure in presenting the un-audited condensed interim financial statements for the three month period ended 31 December 2024.

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

Production Data		31 December	
		2024	2023
Start of Season		21.11.2024	25.11.2023
Sugarcane Crushed	(M. Ton)	234,206	272,631
Production:			
Sugar	(M. Ton)	19,955	26,387
Molasses	(M. Ton)	9,300	11,300
Recovery:			
Sugar	%	9.13	10
Molasses	%	4.22	4.34

Sugar production has decreased this quarter, despite an earlier start to the crushing season. The decline is primarily due to a lower volume of sugarcane crushed. Moreover, the sugar recovery percentage is lower compared to the same period last year, largely because the sugarcane processed had lower sucrose content. Molasses recovery for the quarter has also fallen compared to the previous year. Additionally, the Government of Punjab has not announced a support price for sugarcane this season. Consequently, the support price from the previous season will serve as the benchmark for this year's crushing season.

The estimates for sugarcane availability are almost the same as the previous year/season. However, initial projections of increased crop output have been affected by lower yield per acre. We are making every effort to procure the maximum sugarcane from both in-zone and out-zone areas. The average sugarcane procurement cost for the quarter ended December 31, 2024, was Rs. 392 per 40 kg, compared to Rs. 408 per 40 kg in the corresponding quarter ended December 31, 2023.

For the first quarter, your Company recorded a turnover of Rs. 2,289,186 million, compared to Rs. 2,469,452 million in the corresponding quarter of 2023-24. The cost of sales increased to Rs. 2,103,218 million from Rs. 1,871,042 million in the same period last year. Consequently, the Company recorded a gross profit of Rs. 185,968 million, a significant decline from the Rs. 598,410 million gross profit in the corresponding quarter.

This decrease in gross profit is primarily attributed to the depressed sale price of sugar during the three-month period compared to the corresponding period of the previous year.

Net profit for the quarter was recorded at Rs. 6,840 million, a sharp drop from the Rs. 269,085 million profit in the corresponding quarter of 2023-24. The finance cost for the period rose to Rs. 61,797 million from Rs. 44,223 million in the same quarter last year, primarily due to higher utilization of financial facilities.

Earnings per share (EPS) for the period stood at Rs. 0.57, compared to Rs. 22.40 in the corresponding quarter of 2023-24.

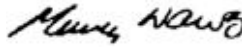
UPDATE ON POWER PROJECT:

The Company is developing a 32 MW bagasse-based co-generation power project, financed through debt and equity. Key milestones, including regulatory approvals, an Energy Purchase Agreement (EPA), and financial close, have been achieved. However, the project's Commercial Operation Date (COD), initially set for December 31, 2023, was delayed due to right-of-way (ROW) issues that impeded GEPCO's completion of the interconnection facility.

An extension for the COD was obtained from the Central Power Purchasing Agency-Guarantee (CPPA-G), but final approval from NEPRA is pending. The Company remains optimistic about timely completion of the transmission line and anticipates financial benefits from the project starting in the year 2024-25.

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: 28 January 2025

ڈائریکٹرز رپورٹ برائے ممبران

مذکورہ سہ ماہی کے لیے خالص منافع ۸۴۰-۶ ملین روپے ریکارڈ کیا گیا، جو ۲۳-۲۰۲۳ کی اسی سہ ماہی کے ۰۸۵-۲۶۹ ملین روپے کے منافع سے نمایاں طور پر کم ہے۔ اس مدت کے دوران مالیاتی اخراجات بڑھ کر ۷۹-۶۱ ملین روپے ہو گئے، جو گزشتہ سال کی اسی سہ ماہی میں ۲۳-۲۳ ملین روپے تھے، جس کی وجہ بنیادی طور پر مالیاتی سہولیات کا زیادہ استعمال ہے۔

اس مدت کے لیے فی حصص آمدنی ۵۷-۰ روپے تھی، جو کہ ۲۳-۲۰۲۳ کی متعلقہ سہ ماہی میں ۳۰-۲۲ روپے تھی۔

توانائی کے منصوبے (پاور پراجیکٹ) کے بارے میں تازہ ترین معلومات:

کمپنی ایک ۳۲ میگا واٹ بگاس پرنٹی کو جنریشن پاور پروجیکٹ قائم کرنے کے عمل میں ہے، جس کی مالی معاونت قرض اور ایکویٹی کے ذریعے کی جارہی ہے۔ اہم سنگ میل، جیسے کہ ریگولیشن منظوریاں، انرجی پریپراجیکٹ سمنٹ (ای پی اے)، اور مالی بندش، حاصل کر لی گئی ہیں۔ تاہم، اس پروجیکٹ کی کمرشل آپریشن کی تاریخ (سی او ڈی)، جو ابتدائی طور پر ۲۰۲۳ دسمبر کے لئے مقرر تھی، گلیپکو کی جانب سے انٹرکنکشن سہولت کی تکمیل میں راستے کی رکاوٹوں کی وجہ سے تاخیر کا شکار ہو گئی۔

سی پی پی اے-جی (سنٹرل پاور پریپراجیکٹ ایجنسی-گارنٹی) سے سی او ڈی کی توسیع حاصل کی گئی، لیکن پھر اسے حتمی منظوری ابھی باقی ہے۔ کمپنی بڑی امید ہے کہ تریپلی لائن بروقت مکمل ہوگی اور وہ سال ۲۰۲۳-۲۵ سے اس منصوبے سے مالی فوائد کی توقع رکھتی ہے۔

آپ کے ڈائریکٹرز افسران، عملے کے اراکین اور تمام درجات کے کارکنان کی محنت اور فرض شناسی کی ستائش کرتے ہیں۔

برائے اور از طرف بورڈ آف ڈائریکٹرز

Munir Nawaz

منیر نواز
چیف ایگزیکٹو

Tariq

توقیر نواز
ڈائریکٹر

کراچی

۲۸ جنوری ۲۰۲۵

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 ماہی ۳۱ دسمبر ۲۰۲۳ آج کی خدمت میں پیش کرتے ہیں۔

پچھلے سال کے مقابلے موجودہ کرشنگ سیزن کی کارکردگی ذیل میں پیش کی گئی ہے:

۳۱ دسمبر		
۲۰۲۳	۲۰۲۲	پیداواری اعداد و شمار
۲۵ نومبر ۲۰۲۳	۲۱ نومبر ۲۰۲۲	آغاز سیزن
۲۷،۲۶۳ میٹرک ٹن	۲۳،۳۶۶ میٹرک ٹن	گنے کی پھائی
		پیداوار
۲۶،۴۸۷ میٹرک ٹن	۱۹،۹۵۵ میٹرک ٹن	چینی
۱۱،۳۰۰ میٹرک ٹن	۹،۳۰۰ میٹرک ٹن	راب
		پیداواری تناسب
۱۰ فیصد	۱۳-۹ فیصد	چینی
۳۳-۲ فیصد	۲۲-۴ فیصد	راب

چینی کی پیداوار میں اس سہ ماہی میں کمی ہوئی ہے، حالانکہ کرشنگ کا آغاز پہلے ہی ہو گیا تھا۔ اس کمی کی بنیادی وجہ گنے کے کم حجم کی کرشنگ ہے۔ مزید برآں، چینی کی وصولی کا تناسب پچھلے سال کے بھی عرصہ مقابلے میں کم ہے، اس کی بڑی وجہ یہ ہے کہ گنے میں سوکروڈ کی مقدار کم ہے۔ اس سہ ماہی میں راب کی وصولی بھی پچھلے سال کی نسبت کم ہوئی ہے۔ علاوہ ازیں، پنجاب حکومت نے اس موسم کے لئے گنے کی کم از کم قیمت کا اعلان نہیں کیا ہے۔ نتیجتاً، پچھلے موسم کی قیمت ہی اس سال کی کرشنگ کے لئے معیار کے طور پر کام لے گی۔

گنے کی دستیابی کے تخمینہ پچھلے سال / موسم کے تقریباً برابر ہے۔ تاہم، فصل کی پیداوار میں اضافے کی ابتدائی پیش گوئی نے ایکڑ کم پیداواری وجہ سے متاثر ہوئی ہیں۔ ہم اپنے علاقے اور باہری علاقے سے زیادہ گنا خریدنے کی بھرپور کوشش کر رہے ہیں۔ ۲۰۲۳ء کے سہ ماہی کی مدت جو ۳۱ دسمبر کو ختم ہوئی، اس میں اوسط گنا خریداری کی لاگت ۳۹۲ روپے فی ۲۰ کلوگرام تھی، جب کہ ۳۱ دسمبر ۲۰۲۲ کو ختم ہونے والی مطابق سہ ماہی میں یہ لاگت ۴۰۸ روپے فی ۲۰ کلوگرام تھی۔

پہلی سہ ماہی کے دوران، آپ کے ادارے نے ۱۸۶-۲،۲۸۹ ملین روپے کا کاروبار ریکارڈ کیا، جو کہ ۲۳-۲۳ ملین کی متعلقہ سہ ماہی میں ۳۵۲-۲،۲۶۹ ملین روپے تھا۔ فروخت کی لاگت میں اضافہ ہو کر ۲۱۸-۲،۱۰۳ ملین روپے ہو گیا، جو کہ اسی مدت میں پچھلے سال ۲۰۳۲-۱،۸۷۱ ملین روپے تھی۔ نتیجتاً، ادارے نے ۹۶۸-۱،۸۵ ملین روپے کا مجموعی منافع ریکارڈ کیا، جو کہ متعلقہ سہ ماہی میں ۳۱۰-۵۹۸ ملین روپے کے مجموعی منافع سے نمایاں ہے۔

اس مجموعی منافع میں کمی کی بنیادی وجوہات میں سے ایک گزشتہ سال کے متعلقہ عرصہ کے مقابلے میں تین ماہ کے دوران چینی کی فروخت کی کم قیمت ہے۔

Condensed Interim Statement of Financial Position

As at 31 December 2024

	Note	(Un-audited) 31 December 2024 (Rupees in thousand)	(Audited) 30 September 2023
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	7	5,837,278	5,636,647
Long term investment	8	214,370	215,520
Long term loans		49,031	47,163
Long term deposits		41,156	40,256
		<u>6,141,835</u>	<u>5,939,586</u>
CURRENT ASSETS			
Stores, spares and loose tools		355,270	276,447
Stock-in-trade		2,042,153	1,590,037
Trade debts		40,324	39,367
Loans and advances	9	52,441	157,863
Short term prepayments		8,222	4,664
Levy / taxation - net		259,166	250,695
Bank balances		94,489	268,483
		<u>2,852,065</u>	<u>2,587,556</u>
		<u>8,993,900</u>	<u>8,527,142</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
15,000,000 (September 30, 2024: 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 land		1,928,484	1,928,484
Revenue reserve - general reserve / un-appropriated profits		1,087,959	1,081,119
		<u>3,043,977</u>	<u>3,037,137</u>
Loans from directors		150,000	150,000
		<u>3,314,088</u>	<u>3,307,248</u>
NON CURRENT LIABILITIES			
Long term financing	10	2,624,686	2,419,772
Loan from associate		100,427	99,817
Lease liability		10,849	15,872
Retirement benefits obligations		34,685	33,474
		<u>2,770,647</u>	<u>2,568,935</u>
CURRENT LIABILITIES			
Trade and other payables		791,623	281,520
Contract liabilities		77,646	142,952
Short term borrowings	11	1,903,133	1,834,226
Accrued mark-up		108,326	363,953
Current portion of non-current liabilities		2,585	2,456
Unclaimed dividend		25,852	25,852
		<u>2,909,165</u>	<u>2,650,959</u>
		<u>8,993,900</u>	<u>8,527,142</u>
TOTAL EQUITY AND LIABILITIES			
CONTINGENCIES AND COMMITMENTS			
The annexed notes form an integral part of these financial statements.			



Chief Executive



Director



Chief Financial Officer

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

For the three month period ended 31 December 2024

	Note	31 December	
		2024	2023
(Rupees in thousand)			
Revenue from contracts with customers - net	13	2,289,186	2,469,452
Cost of revenue	14	(2,103,218)	(1,871,042)
Gross profit		185,968	598,410
Distribution cost		(7,825)	(5,956)
Administrative expenses		(95,357)	(94,239)
Other operating expenses		(2,650)	(31,750)
		(105,832)	(131,945)
		80,136	466,465
Other income		17,289	6,015
Profit from operations		97,425	472,480
Finance cost		(61,797)	(44,223)
		35,628	428,257
Share of profit from associate - net of tax	8	-	-
Profit before income tax and levy		35,628	428,257
Levy		(28,788)	(1,121)
Profit before income taxation		6,840	427,136
Income tax		-	(158,051)
Profit for the period		6,840	269,085
Earnings per share -basic and diluted (Rupees)	15	0.57	22.40

The annexed notes form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the three month period ended 31 December 2024

	Note	31 December	
		2024	2023
(Rupees in thousand)			
Profit for the period		6,840	269,085
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent years:			
Remeasurement of defined benefit obligation		-	-
Related deferred tax impact		-	-
Share of associate's other comprehensive income / (loss)		-	-
Total comprehensive Income for the period		6,840	269,085

The annexed notes form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

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

For the three month period ended 31 December 2024

	Reserves							TOTAL EQUITY
	Capital reserve			Revenue reserve				
	Share Capital	Share premium	Surplus on revaluation of property, plant and equipment	Sub total	General reserve	Accumulated profit / (losses)	Sub total	
	(Rupees in thousand)							
Balance as at October 01, 2023	120,111	27,534	1,928,484	1,956,018	1,151,119	36,318	1,187,437	3,413,566
Profit for the period	-	-	-	-	-	269,085	269,085	269,085
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	269,085	269,085	269,085
	120,111	27,534	1,928,484	1,956,018	1,151,119	305,403	1,456,522	3,412,540
Balance as at December 31, 2023								
	120,111	27,534	1,928,484	1,956,018	1,151,119	(70,000)	1,081,119	3,037,137
Balance as at October 01, 2024								
Profit for the period	-	-	-	-	-	6,840	6,840	6,840
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	6,840	6,840	6,840
	120,111	27,534	1,928,484	1,956,018	1,151,119	(63,160)	1,087,959	3,043,977
Balance as at December 31, 2024								

The annexed notes form an integral part of these financial statements.



Chief Executive



Chief Financial Officer

Condensed Interim Statement of Cash Flows (Un-audited)

For the three month period ended 31 December 2024

	Note	31 December	
		2024	2023
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		35,628	428,257
Adjustments for non-cash charges and other items:			
Depreciation on operating fixed assets	7	8,190	8,561
Depreciation on right-of-use assets	7	671	659
Finance cost		61,797	44,223
Profit on bank deposits		(3,915)	(2,351)
Gain on disposal of operating fixed assets		(1,055)	(415)
Provision for retirement benefits		828	1,529
Gain on initial recognition of financial assets at fair value		(312)	(337)
Reversal of fair value adjustment on loan to GEPCO		(2,410)	(1,937)
Provision for leave encashment		483	499
		64,277	50,431
Operating profit before working capital changes		99,905	478,688
Working capital changes			
(Increase) / decrease in current assets:			
-Stores, spares and loose tools		(78,823)	(182,534)
-Stock-in-trade		(452,116)	(1,201,468)
-Trade debts		(957)	(295,857)
-Loans and advances		105,422	(73,114)
-Short term prepayments		(3,558)	(6,254)
		(430,032)	(1,759,227)
Increase / (decrease) in current liabilities			
-Trade and other payables		510,103	969,267
-Contract liabilities		(65,306)	(96,490)
Cash generated / (used in) from operations		114,670	(407,762)
Income tax paid		(37,260)	(30,181)
Finance cost paid		(317,424)	(52,582)
Profit on bank deposits received		3,915	2,351
Leave encashment paid		(136)	(377)
Retirement benefits paid		(16)	(455)
Net cash used in operating activities		(236,251)	(489,006)
CASH FLOWS FROM INVESTING ACTIVITIES			
Property, plant and equipment - acquired	7	(209,492)	(338,521)
Proceeds from disposal of property, plant and equipment		1,420	900
Increase in long term deposits		(900)	-
Long term loans - net		542	(1,379)
Dividend received from associate	8	1,150	7,475
Net cash used in investing activities		(207,280)	(331,525)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short-term borrowings - net		68,907	678,126
Repayment of lease liability		(4,894)	(4,698)
Long-term financing obtained	10	205,524	240,073
Net cash generated from financing activities		269,537	913,501
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(173,994)	92,970
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		268,483	89,287
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		94,489	182,257

The annexed notes form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

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

For the three month period ended 31 December 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 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 April 04, 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 project's Commercial Operation Date (COD) was initially scheduled for December 31, 2023, as outlined in the Energy Purchase Agreement (EPA). However, the COD could not be met due to delays in completing the interconnection facility between the project's switchyard and the Gujranwala Electric Power Company Limited (GEPCO) system.

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 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, 2024 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 three month period ended 31 December 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, 2024, 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 three month period ended December 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, 2024.

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 (2024: 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 October 01, 2024. 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 three month period ended 31 December 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, 2024.

	Note	(Un-audited) 31 December 2024	(Audited) 30 September 2024
(Rupees in thousand)			
7. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	7.1	2,494,525	2,502,296
Capital work-in-progress	7.2	3,332,682	3,123,609
Right-of-use asset	7.3	10,071	10,742
		5,837,278	5,636,647
7.1 Operating fixed assets			
Opening net book value (NBV)		2,502,296	2,510,771
Additions (at cost) during the period / year	7.1.1	537	27,011
		2,502,833	2,537,782
Disposals (at NBV) during the period / year		(118)	(610)
Depreciation charged during the period / year		(8,190)	(34,876)
		(8,308)	(35,486)
Closing net book value (NBV) at the end of the period / year		2,494,525	2,502,296
7.1.1 Details of additions (at cost) during the period / year are as follows:			
Buildings and roads on freehold land		-	3,592
Plant and machinery	7.2.2	-	16,425
Motor vehicles		-	5,966
Furniture and fittings		32	-
Office equipment		505	1,028
		537	27,011

7.1.2 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 three month period ended 31 December 2024

Note	(Un-audited) 31 December 2024	(Audited) 30 September 2024	
(Rupees in thousand)			
7.2 CAPITAL WORK IN PROGRESS			
Civil works and buildings	7.2.1	132,468	95,864
Plant and machinery	7.2.2	1,811,252	1,748,208
Other directly attributable overheads	7.2.3	1,283,208	1,155,471
Advances to suppliers	7.2.4	105,754	124,066
		3,332,682	3,123,609
7.2.1 Civil works and buildings			
Opening balance at the start of the period / year		95,864	53,640
Additions (at cost)		36,604	45,816
Transferred to operating fixed assets		-	(3,592)
Closing balance at the end of the period / year		132,468	95,864
7.2.2 Plant and machinery			
Opening balance at the start of the period / year		1,748,208	1,087,003
Additions (at cost)		30,099	571,470
Transferred/ adjustment		32,945	106,160
Transferred to operating fixed assets		-	(16,425)
Closing balance at the end of the period / year	7.2.2.1	1,811,252	1,748,208

7.2.2.1 This includes stores and spares held for capitalization is amounting to Rs. 9.457 million (September 30, 2024: Rs. 9.457 million).

Note	(Un-audited) 31 December 2024	(Audited) 30 September 2024	
(Rupees in thousand)			
7.2.3 Other directly attributable overheads			
Opening balance at the start of the period / year		1,155,471	753,601
Additions (at cost)	7.2.3.1	127,737	401,870
Closing balance at the end of the period / year		1,283,208	1,155,471

7.2.3.1 This includes borrowing cost amounting to Rs. 116.536 million (September 30, 2024: Rs. 364.705 million) has been capitalized during the period. The effective rate of borrowing cost capitalized during the period ranges from 17.82% to 17.82% (September 30, 2024: 21.74% to 24.16%) per annum.

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

For the three month period ended 31 December 2024

	(Un-audited) 31 December 2024	(Audited) 30 September 2024
	(Rupees in thousand)	
7.2.4 Advances to suppliers		
Opening balance at the start of the period / year	124,066	158,493
Additions (at cost)	14,633	93,867
Transferred/ adjustment	(32,945)	(122,968)
Transferred to operating fixed assets	-	(5,326)
Closing balance at the end of the period / year	105,754	124,066
7.3 Right of use asset		
The following is the statement of right of use asset:		
Building		
Opening net book value (NBV)	10,742	13,184
Depreciation charge for the period / year	(671)	(2,685)
Prior year's adjustment	-	243
Closing net book value (NBV) at the end of the period / year	10,071	10,742
Annual rate (%) of depreciation	11.11	11.11

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.

	(Un-audited) 31 December 2024	(Audited) 30 September 2024
	(Rupees in thousand)	
8. LONG TERM INVESTMENT		
Investment in associate (with significant influence)		
- under equity method Shahtaj Textile Limited	11,500	11,500
1,150,000 (2024: 1,150,000) ordinary shares of Rupees 10 each		
Share of post acquisition changes in investee's net assets:		
As at October 01	204,020	180,213
Add: Share of profit for the period / year	-	5,482
Less: Share of other comprehensive loss for the period / year	-	999
Add: share of land revaluation surplus adjustment	-	24,801
Less: Dividend received	(1,150)	(7,475)
	202,870	204,020
	214,370	215,520

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

For the three month period ended 31 December 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.

Note	(Un-audited)	(Audited)
	31 December 2024	30 September 2024
9. LOANS AND ADVANCES		
Considered good		
Advances to employees	5,479	5,287
Advances to contractors	2,678	2,896
Advances to cane growers	31,472	97,687
Advances to suppliers	9,562	48,703
Current portion of long term loans	3,250	3,290
	52,441	157,863
Considered doubtful:		
	1,319	1,319
	53,760	159,182
Allowance for expected credit losses	(1,319)	(1,319)
	52,441	157,863

- 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 sugar cane payment.

Note	(Un-audited)	(Audited)
	31 December 2024	30 September 2024
10. LOANS AND ADVANCES		
Secured:		
Banking Company		
MCB Bank Limited	2,624,686	2,419,772

- 10.1 This syndicated term finance facility is obtained to finance the installation of 32MW high pressure bagasse based co-generation power unit.
- 10.2 This amount is payable in fifty six equal quarterly installments commencing after grace period of one year from November 2024 and ending on August 2038. The markup rate is 3 months KIBOR plus 1.5% per annum First pari passu charge of Rupees 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.

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

For the three month period ended 31 December 2024

10.3 Effective rate of interest charged during the period on these long term financing ranged from 17.82% to 17.82% (2024: 21.74% to 24.16%) per annum.

Note	(Un-audited)	(Audited)
	31 December 2024	30 September 2024
(Rupees in thousand)		
11. SHORT TERM BORROWINGS		
Secured:		
Banking companies		
Cash finance (Conventional financing)	1,025,933	937,239
Running finance	499,997	499,997
Islamic mode of financing	377,203	396,990
11.1	1,903,133	1,834,226

11.1 These facilities are secured against pledge of refined sugar with 10% to 25% (2024: 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 2.75% (2024: 1 month KIBOR plus 0.75% to 1 month KIBOR plus 2%) and 9 months KIBOR + 0.75% to 9 months KIBOR + 0.75% (2024: 9 months KIBOR + 0.75% to 9 months KIBOR + 1.50%) 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, 2024.

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:

	(Un-audited)	(Audited)
	31 December 2024	30 September 2024
(Rupees in thousand)		
Not later than one year	7,780	4,312
Later than one year and not later than five years	14,844	21,563
	22,624	25,875

b) Contracts for capital expenditure are approximately amounting to Rs.152.025 million (September 30, 2024: Rs. 108.679 million).

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

For the three month period ended 31 December 2024

	(Un-audited) 31 December 2024 2023 (Rupees in thousand)	
13. REVENUE FROM CONTRACTS WITH CUSTOMERS-NET		
Gross revenue	2,597,306	2,921,802
Less:		
Broker's commission on sugar / molasses	6,417	3,541
Sales tax	285,167	445,277
Withholding tax on sales	16,536	3,532
	308,120	452,350
	2,289,186	2,469,452
Set out below is the disaggregation of the Company's revenue from contracts with customers:		
Major Products:		
Sugar	2,569,286	2,901,927
Molasses	15,886	79
Bagasse	-	14,313
Press mud	12,134	5,483
Gross revenue	2,597,306	2,921,802
Geographical region:		
Pakistan	1,763,324	2,921,802
Afghanistan	833,982	-
	2,597,306	2,921,802

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

For the three month period ended 31 December 2024

	Note	(Un-audited) 31 December 2024 (Rupees in thousand)	2023
14. COST OF REVENUE			
Raw materials consumed:			
Sugarcane purchased		2,278,570	2,764,749
Sugarcane development cess		14,640	17,046
Market committee fee		1,171	1,364
		2,294,381	2,783,159
Other overheads:			
Process materials		45,053	47,069
Fuel and power		13,734	14,755
Stores and spares consumed		37,974	45,286
Repairs and maintenance		8,610	12,851
Salaries, wages and other benefits	14.1	112,290	118,526
Rent, rates and taxes		380	456
Insurance		1,769	2,094
Conveyance and travelling		5,921	6,176
Depreciation on operating fixed assets		7,267	7,453
Ijarah rentals		1,187	1,190
Other expenses		3,471	3,381
		237,656	259,237
Work-in-process			
Add: Opening stock of sugar and molasses in process		6,401	4,790
Less: Closing stock of sugar and molasses in process		(127,432)	(57,130)
		(121,031)	(52,340)
Cost of sugar manufactured		2,411,006	2,990,056
Packing material consumed		21,425	29,044
Cost of sugar bagged		2,432,431	3,019,100
Finished goods			
Add: Opening stock		1,582,915	1,076,273
Less: Closing stock		(1,912,128)	(2,224,331)
		(329,213)	(1,148,058)
		2,103,218	1,871,042

14.1 This includes Rs. 0.673 million (2023: Rs. 0.676 million) in respect of employees' retirement benefits.

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

For the three month period ended 31 December 2024

		(Un-audited) 31 December	
		2024	2023
		(Rupees in thousand)	
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:			
Profit attributable to ordinary shareholders	(Rupees in thousand)	6,840	269,085
Weighted average number of ordinary shares	(Numbers)	12,011,096	12,011,096
Earnings per share	(Rupees)	0.57	22.40

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, 2024.

		31 December 2024	30 September 2024
		(Rupees in thousand)	
17. CAPACITY AND PRODUCTION			
Approved / Installed Capacity (Metric tons)		1,440,000	1,440,000
No. of days		41	92
Actual crushing (Metric tons)		234,206	679,859
Sugar production from cane (Metric tons)		19,955	67,793
Recovery of sugar cane (percentage)		9.13	9.97

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 three month period ended 31 December 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	December 31 2024		December 31 2023	
			Transactions during the period	Closing balance	Transactions during the period	Closing balance
(Rupees in thousand)						
Shahtaj Textile Limited	Associated	Dividend received	1,150	-	7,475	-
	Company	Long term investment	-	214,370	-	184,238
Shahnawaz (Private) Limited	Associated	Purchases and Services	260	-	27	-
	Company	Utilities paid	110	-	110	-
		Mark-up payable	-	27,230	-	16,217
Shezan International Limited	Associated	Sale of sugar	71,600	-	121,000	-
	Company	Trade debts	-	4,454	-	15,914
Shezan Services (Pvt.) Ltd.	Associated	Interest Charged	2,287	51,465	2,287	42,365
	Company	Loan from associated Company	-	100,427	-	106,793
State Life Insurance Corporation of Pakistan	Director of the Company is Key Management Personnel in S.L.I.C	Premium paid	290	-	236	-
KSB Pumps Company Limited	Common	Purchases made	-	-	8,988	-
Staff Provident Fund Trust	Directorship	Contributions paid	1,425	-	1,606	-
Executives	Key Management Personnel	Remuneration and benefits	22,711	-	23,221	-

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

For the three month period ended 31 December 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 28 January 2025 by the Board of Directors of the Company.

21. NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

21.1 No significant events have occurred subsequent to December 31, 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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Head Office

72/C-1, M. M. Alam Road,
Gulberg III, Lahore - 54660

+92 42 3571 0482 - 84
+92 42 3571 1904

www.shahtajsugar.com
mail@shahtajsugar.com

