



Tel: +92 42 3587 5707-10
Fax: +92 42 3571 7351
www.bdo.com.pk

Office No. 4, 6th Floor,
Askari Corporate Tower,
75/76 D-1, Main Boulevard
Gulberg III, Lahore-54660
Pakistan.

INDEPENDENT AUDITORS' 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

DATED: May 30, 2024

UDIN: RR202410087a0HLFDnNJ

BDO Ebrahim & Co.

**BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS**

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.


SHAHTAJ SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT MARCH 31, 2024

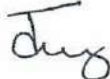
		March 31, 2024 (Unaudited)	September 30, 2023 (Audited)
	Note	(Rupees in thousand)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	8	5,269,512	4,576,692
Long term investment	9	186,204	191,713
Long term loans		43,599	39,904
Long term deposits		40,256	40,256
		5,539,571	4,848,565
CURRENT 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
TOTAL ASSETS		11,275,990	6,421,307
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
TOTAL EQUITY AND LIABILITIES		11,275,990	6,421,307

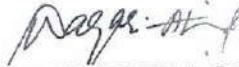
CONTINGENCIES AND COMMITMENTS

13

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

SHAHTAJ SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2024

	Note	Half year ended		Quarter ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
		(Rupees in thousand)			
Revenue from contracts with customers-net	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 from 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

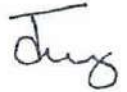

CHIEF FINANCIAL OFFICER

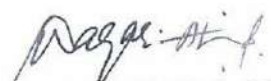
SHAHTAJ SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2024

	Half year ended		Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	(Rupees in thousand)			
Profit after taxation	198,383	86,916	(70,703)	44,733
Other comprehensive income				
Items that will not be reclassified subsequently to statement of profit or loss	-	-	-	-
Items that may be reclassified subsequently to statement of profit or loss	-	-	-	-
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	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

SHAHTAJ SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2024

	RESERVES					LOANS FROM DIRECTORS	TOTAL EQUITY	
	CAPITAL		REVENUE		TOTAL			
	Share premium	Surplus on revaluation of property, plant and equipment	General reserve	Un-appropriated profits				
Balance as at October 01, 2022 - (audited)	120,111	27,534	1,928,484	1,145,167	(364,127)	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	3,143,455	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.

Manish Narayn
CHIEF EXECUTIVE


Dinesh
DIRECTOR


Rajeev Singh
CHIEF FINANCIAL OFFICER

SHAHTAJ SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2024

	Note	Half year ended	
		March 31, 2024	March 31, 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

SHAHTAJ SUGAR MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

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.

- 1.1 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 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 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.

		March 31, 2024 (Unaudited) (Rupees in thousand)	September 30, 2023 (Audited)
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
		<u>5,269,512</u>	<u>4,576,692</u>

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
		<u>2,533,480</u>	<u>2,545,459</u>
	Disposals (at NBV) during the period / year	(485)	(1,332)
	Depreciation charged during the period / year	(17,266)	(33,356)
		<u>(17,751)</u>	<u>(34,688)</u>
	Closing net book value (NBV) at the end of the period / year	<u>2,515,729</u>	<u>2,510,771</u>

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
		<u>22,709</u>	<u>34,427</u>

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

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
		<u>2,741,917</u>	<u>2,052,737</u>

	March 31, 2024 (Unaudited) (Rupees in thousand)	September 30, 2023 (Audited)
Note		

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	<u>74,026</u>	<u>53,640</u>

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 <u>1,450,754</u>	<u>1,087,003</u>

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).

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	<u>932,248</u>	<u>753,601</u>

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.

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	<u>284,889</u>	<u>158,493</u>

Note

March 31, 2024 (Unaudited)	September 30, 2023 (Audited)
(Rupees in thousand)	

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	<u>11,866</u>	<u>13,184</u>
Annual rate (%) of depreciation	<u>11.11</u>	<u>11.11</u>

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.

9 LONG TERM INVESTMENT

Investment in associate (with significant influence) - under equity method

Shahtaj Textile Limited	9.1	11,500	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

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.

		March 31, 2024 (Unaudited) (Rupees in thousand)	September 30, 2023 (Audited)
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
		<u>128,784</u>	<u>61,029</u>
	Considered doubtful:	1,319	1,721
		<u>130,103</u>	<u>62,750</u>
	Allowance for expected credit losses	(1,319)	(1,721)
		<u><u>128,784</u></u>	<u><u>61,029</u></u>

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.

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

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.

12 SHORT TERM BORROWINGS

Secured:

Banking companies		
Cash finance (Conventional financing)	3,171,479	142,349
Running finance	452,303	330,228
Islamic mode of financing	396,990	506,964

Unsecured:

Associated Company	12.2	4,020,772	979,541
Shahnawaz (Private) Limited		150,000	-
	12.2	<u>4,170,772</u>	<u>979,541</u>

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.

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 Ujrah payments under Ijarah are as follows:

	March 31, 2024 (Unaudited) (Rupees in thousand)	September 30, 2023 (Audited)
Not later than one year	7,781	7,787
Later than one year and not later than five years	20,679	23,726
	<u>28,460</u>	<u>31,513</u>

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

(Unaudited)			
Half year ended		Quarter ended	
March 31,		March 31,	
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
	<u>5,072,724</u>	<u>5,721,688</u>	<u>2,603,272</u>	<u>3,890,231</u>

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	<u>5,972,596</u>	<u>6,558,706</u>	<u>3,050,794</u>	<u>4,407,979</u>

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
	<u>5,972,596</u>	<u>6,558,706</u>	<u>3,050,794</u>	<u>4,407,979</u>

		(Unaudited)			
		Half year ended		Quarter ended	
		March 31,		March 31,	
		2024	2023	2024	2023
Note	(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
	<u>7,479,905</u>	<u>6,057,452</u>	<u>4,696,746</u>	<u>4,099,620</u>

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
	<u>544,913</u>	<u>476,040</u>	<u>285,677</u>	<u>289,967</u>

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)
	<u>(1,356)</u>	<u>(425)</u>	<u>50,984</u>	<u>27,821</u>

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	<u>8,093,588</u>	<u>6,610,890</u>	<u>5,074,489</u>	<u>4,472,438</u>

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)
	<u>(3,809,134)</u>	<u>(1,556,384)</u>	<u>(2,661,076)</u>	<u>(996,267)</u>
	<u>4,284,454</u>	<u>5,054,506</u>	<u>2,413,413</u>	<u>3,476,171</u>

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

(Unaudited)	
Half year ended	
March 31,	
2024	2023
(Rupees in thousand)	

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

	March 31, 2024 Number	September 30, 2023 Number
Installed crushing capacity (Metric tons) for 92 (2023: 103) working days	1,440,000	1,440,000
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.

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	March 31 2024		March 31 2023	
				Transactions during the period	Closing balance	Transactions during the period	Closing balance
(Rupees in thousand)							
Shahtaj Textile Limited	Associated Company	Dividend received Long term investment		7,475 -	- 186,204	14,950 -	- 183,133
Shahnawaz (Private) Limited	Associated Company	Purchases and Services Utilities paid Loan Obtained Loan Repaid Mark-up payable	12	142 183 150,000 -	- - 150,000 -	181 256 100,000 100,000	- - - 16,217
Shezan International Limited	Associated Company	Sale of sugar Trade debts		234,160 -	- 111,540	408,105 -	- -
Shezan Services (Pvt.) Ltd.	Associated Company	Interest Charged Loan from associated Company		6,208 -	44,628 107,662	5,982 -	40,078 104,188
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 Contributions paid		8,988 3,083	- -	12,574 2,804	- -
Staff Provident Fund Trust	Key Management Personnel	Remuneration and benefits		63,928	-	47,806	-

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

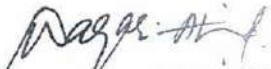
No significant events have occurred subsequent to March 31, 2024 other than those mentioned elsewhere in the condensed interim financial statements.

23 GENERAL

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER