



SHAHTAJ
SUGAR MILLS LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE HALF YEAR ENDED
31 MARCH 2023

Contents

Company Information	02
Directors' Report to the Members (English)	03
Directors' Report to the Members (Urdu)	06
Independent Auditor's Review Report	07
Condensed Interim Statement of Financial Position	08
Condensed Interim Statement of Profit or Loss (Un-audited)	10
Condensed Interim Statement of Comprehensive Income (Un-audited)	11
Condensed Interim Statement of Changes in Equity (Un-audited)	12
Condensed Interim Statement of Cash Flows (Un-audited)	13
Selected Notes to the Condensed Interim Financial Statements (Un-audited)	14

Company Information

Board of Directors

Mr. Toqueer Nawaz
Mr. Muneer Nawaz
Mr. M. Naeem
Mrs. Samia Shah Nawaz Idris
Mr. Rashed Amjad Khalid
Mr. Abid Nawaz
Ms. Ava Ardeshir Cowasjee
Mr. Suleman Lalani
Mr. Mushtaq Ahmad
Mr. Sheikh Asim Rafiq

Chairman
Chief Executive

J.S.I.L
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. M. Naeem
Mr. Rashed Amjad Khalid

Chairman

Human Resource & Remuneration Committee

Mr. Muhammad Salman Hussain Chawala* Chairman
Mr. Muneer Nawaz
Mr. M. Naeem
Mr. Rashed Amjad Khalid

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

Production Facility

Mandi Bahauddin - 50400.
Phone : (0546) 501 147 - 49
(0546) 508 047 - 48
Fax : (0546) 501 768
E-mail : mills@shahtajsugar.com

Auditors

Riaz Ahmad & Company
Chartered Accountants,
10-B, Saint Mary Park,
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

*Mr. Muhammad Salman Hussain Chawala resigned since 16 January 2023.

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 2023.

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

Production Data		31 March	
		2023	2022
Start of Season		25.11.2022	20.11.2021
End of Season		08.03.2023	25.03.2022
Duration	Days	103	126
Sugarcane Crushed	(M. Tons)	786,325	1,031,923
Production:			
Sugar	(M. Tons)	77,600	91,603
Molasses	(M. Tons)	32,644	45,786
Recovery:			
Sugar	%	9.87	8.88
Molasses	%	4.15	4.44

We were able to produce 77,600 M. Tons of sugar i-e lower by about 15% 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 less yield per acre. 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, only 9% of sugarcane was purchased from outside areas. However, recovery percentage of sugar was much better as compared with the corresponding period of last year due to healthy sugarcane crop with high sucrose contents and better weather conditions.

The Government of Punjab increased the notified minimum purchase price of sugarcane for the season from Rs. 225/- to Rs. 300/- per 40 kg. Due to significant increase in minimum purchase price of sugarcane to Rs. 300/- per 40 Kg, the average sugarcane procurement cost for the season was Rs. 308.14/- per 40 Kg as compared with Rs. 240.83/- per 40 Kg of corresponding season of year 2021-2022. This is almost 28% more as compared with the last season. This increase in sugarcane purchase cost would affect the financial performance of the company.

Sugar price during the six month period was less than the corresponding period due to production glut and oversupply of sugar in the market. To overcome this situation the Government has allowed overall 250,000 MT export of sugar, Punjab's share was 61%. However, export quota was very nominal keeping in view the excess carryover stocks of sugar of previous season. Further molasses price during the period under review was better as compared to corresponding period due to high international prices of ethanol.

For the six month period, your Company recorded a turnover of Rs. 5,721.688 million as against Rs. 3,630.642 million in the corresponding period of 2022. The cost of sales was Rs. 5,054.506 million as against Rs. 3,080.510 million of the corresponding period. Thus, the Company has a gross profit of Rs. 667.182 million for the six month period ended 31 March 2023 as against a gross profit of Rs. 550.132 million of the corresponding period. The gross margin for the period was 11.66% as compared with 15.15% of the corresponding period. The significant decrease in gross margin was due to increase in the prices of raw and packing materials because of inflationary impact due to devaluation of PKR. The net profit has been recorded to Rs. 86.916 million against the profit of Rs. 148.112 million of the corresponding period. The earnings per share is Rs. 7.24 against Rs. 12.33 of corresponding period of 2022. The finance cost for the period was Rs. 273.022 million as against Rs. 173.610 million of the corresponding period due to high utilization of banking facilities and drastic increase in policy rate. The country is in the grip of highest ever inflation which has also affected our profitability and rest of the industry. The SBP policy rate is at its highest level of 21% because of which there has been significant increase in the financial cost both for the quarter and the half year. This high level of inflation and financial cost would have an impact on the annual results.

For the three month period ended 31 March 2023, your Company recorded a turnover of Rs. 3,890.231 million as against Rs. 2,067.293 million in the corresponding period of 2022. The cost of sales was Rs. 3,476.171 million as against Rs. 1,818.707 million of the corresponding period. Thus, the Company has a gross profit of Rs. 414.060 million for the three month period

ended 31 March 2023 as against a gross profit of Rs. 248,586 million of the corresponding period. The net profit has been recorded to Rs. 44,733 million against the profit of Rs. 40,778 million of the corresponding period. The profit increased as compared to previous quarter of last year due to support of export of sugar and better molasses sales. The earnings per share is Rs. 3.72 against Rs. 3.40 of corresponding period of 2022. The finance cost for the period was Rs. 166,215 million as against Rs. 117,687 million of the corresponding period.

UPDATE ON 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 with 15 MW spillover to the National Grid. 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, your Company has been granted Generation License and Upfront Tariff for 30 years by National Electric Power Regulatory Authority (NEPRA).

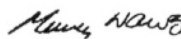
We had negotiated and finalized the Energy Purchase Agreement (EPA) with Central Power Purchasing Agency (CPPA) which was subsequently approved by the Board of Directors of CPPA. The EPA could not be executed on account of the decision of the Cabinet Committee on Energy (CCoE), that only those projects shall be implemented where either the Implementation Agreement (the "IA") or EPA has been signed. Consequently, the Company along with five (5) other Bagasse Based Cogeneration power projects filed writ petitions in the Honorable Islamabad High Court in 2018 against Federation of Pakistan, CPPA (G) L, NEPRA and others against the impugned decision of Cabinet Committee on Energy (CCoE).

During the pendency of our writ petition, the Government modified the earlier decision of CCoE and decided that all those projects which have been granted LOS by AEDB will be permitted to proceed towards the achievement of their requisite milestones as per RE Policy, 2006. However, if more than one year has elapsed since determination of tariff by NEPRA, the said tariffs would be reviewed by NEPRA to make it consistent with the current market conditions/consumer interest and such review will include appropriate time extensions to reach financial closing.

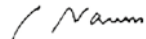
Now, NEPRA has reviewed and modified our tariff dated January 02, 2017, and awarded revised/modified tariff vide its determination dated January 24, 2022. Tariff has been duly notified in the Gazette of Pakistan. We have negotiated and finalized the Energy Purchase Agreement (EPA) with Central Power Purchasing Agency (CPPA) on the basis of Revised Tariff of dated January 24, 2022, which is subsequently approved by the Board of Directors of CPPA. The EPA has been signed between Shahtaj Sugar Mills Ltd. (SSML) and CPPA on December 23, 2022. The Implementation Agreement (IA) has been signed on April 04, 2023 between SSML and Alternate Energy Development Board (AEDB) . We are in the process of finalization of "Financial Close" of the project with AEDB.

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



M. NAEEM
Director

Karachi: 26 May 2023.

ڈائریکٹرز رپورٹ برائے ممبران

اختتام شدہ سہ ماہی ۳۱ مارچ ۲۰۲۳ کے دوران آپ کے ادارے کی فروخت ۲۳۱-۳۸۹۰ ملین روپے رہی جو کہ ۲۰۲۲ کے اسی عرصہ میں ۲۹۳-۲۰۶۷ ملین روپے تھی۔ پیدائشی لاگت ۲۰۶۷-۳۱۳۷ ملین روپے رہی جبکہ گزشتہ سال کے اسی عرصہ میں یہ رقم ۷۰۷-۱۸۱۸ ملین روپے تھی۔ اس طرح دوران اختتام شدہ سہ ماہی ۳۱ مارچ ۲۰۲۳ میں ادارے کو ۶۰۶-۳۱۳۷ ملین روپے کا مجموعی منافع ہوا جبکہ گزشتہ سال کے دوران میں مجموعی منافع ۵۸۶-۲۳۸ ملین روپے تھا۔ خالص نفع ۳۳۳-۳۳۳ ملین روپے رہا جبکہ اس کے مقابلے گزشتہ سال مجموعی خالص نفع ۷۰۷-۳۱۳۷ ملین روپے رہا۔ پیٹنی کی برآمد اور راب کی بہتر فروخت کی وجہ سے گزشتہ سال کی سہ ماہی کے مقابلے میں منافع میں اضافہ ہوا۔ فی حصص آمدنی ۲۰۶-۳۰ روپے ہے جو کہ گزشتہ سال اسی مدت میں ۳۰۶-۳۰ روپے فی حصص تھی۔ اس مدت کی مالیاتی اہلیت ۱۱۷-۱۲۶ ملین روپے رہی جبکہ گزشتہ سال کے اسی عرصہ میں یہ رقم ۶۸-۱۱۷ ملین روپے تھی۔

پاور پراجیکٹ کی تازہ ترین صورت حال

جیسا کہ پہلی ہی آپ کے علم میں لایا جا چکا ہے کہ ادارے کا بگاس (گنے کی کھوٹی) سے چلنے والا بجلی کا پلانٹ جو کہ ۳۲ میگا واٹ کی صلاحیت پر مشتمل ہے جس میں سے ۱۵ میگا واٹ پیش گرو کو قابل ترسیل ہوگا تصنیب کے مرحلے میں ہے۔ ۱۶ میگا واٹ صلاحیت کی دو عدد پورے زمین کی تصنیب کا کام مکمل ہو چکا ہے جبکہ ۱۳۲ کے دی ا صلاحیت کے گروڈیشن کی تصنیب کا کام جاری ہے۔ مزید آپ کی اطلاع کے لیے عرض ہے کہ پیش گرو پاور اینڈ ریلیشن اتھارٹی نے آپ کے ادارے کو بجلی کی پیداوار کا اجازت نامہ (جنریشن لائسنس) تیس سال کے لیے جاری کر دیا ہے۔

ہم نے سنٹرل پاور پراجیکٹ (CPPA) کے ساتھ بجلی خریداری کا معاہدہ (EPA) کو باہمی گفت و شنید کے ساتھ حتمی شکل دے دی تھی جسے بعد میں سنٹرل پاور پراجیکٹ (CPPA) کے پورڈ آف ڈائریکٹرز نے دیکھ کر لینے کے لیے منظور کیا تھا۔ توانائی کی کاہنہ کمٹی (CCoE) کے فیصلہ کی وجہ سے بجلی کی خریداری کے معاہدہ (EPA) پر عمل درآمد نہیں کیا جا سکا۔ توانائی کی کاہنہ کمٹی کے فیصلے کے مطابق صرف ان منصوبوں پر عمل درآمد ہوگا جہاں نفاذ کے معاہدہ (IA) یا بجلی کی خریداری کے معاہدہ (EPA) پر دیکھ کر جانے لگے ہیں۔ نتیجتاً ہمارے سمیت دیگر بگاس سے چلنے والے پراجیکٹ والے اداروں نے معزز اسلام آباد ہائی کورٹ میں فیڈریشن آف پاکستان، پی۔ پی۔ اے اور نیبر اے کے خلاف توانائی کی کاہنہ کمٹی (CCoE) کے اس ہم فیصلہ کے خلاف درخواستیں دائر کر دی تھی۔

ہماری دائر کردہ درخواست کے زمرہ اہل ہونے کے دوران حکومت نے توانائی کی کاہنہ کمٹی کے پہلے فیصلے میں ترمیم کرتے ہوئے یہ فیصلہ کیا کہ وہ تمام پراجیکٹس جن کو متبادل توانائی ترقیاتی بورڈ (AEDB) نے اہل اہل (LOS) دے دیا ہے وہ RE پالیسی ۲۰۰۶ کے مطابق اپنے مطلوبہ رنگ سٹیل کے حصول کی طرف بڑھنے کی اجازت دی جائے گی تاہم اگر نیبر اے کی جانب سے مہینہ گزرتے ہوئے ایک سال سے زیادہ کا عرصہ گزر چکا ہے تو نیبر اے کی جانب سے مذکورہ نیبر اے کا جائزہ لیا جائے گا تاکہ اس کو موجودہ حالات اور ماحول کے مطابق صارفین کے بہتر مفاد میں بنایا جاسکے۔ اس جائزے کے دوران مالیاتی اختتام تک پہنچنے کے لیے مناسب وقت کی توسیع شامل ہوگی۔

پھر انے ہمارے مہینہ گزرتے ہوئے ۲۰۲۳ جنوری ۲۰۱۷ کا جائزہ لیا اور اس میں ترمیم کرتے ہوئے ۲۰۲۳ جنوری ۲۰۲۳ کو اپنے نظر ثانی / تبدیل شدہ نیبر اے جاری کر دیا ہے۔ پاکستان کے آفیشل گزٹ میں نئے ترمیم شدہ نیبر اے کا نوٹیفیکیشن بھی جاری ہو چکا ہے۔ ہم نے سنٹرل پاور پراجیکٹ (CPPA) کے ساتھ ۲۳ جنوری ۲۰۲۳ کے ترمیم اور نظر ثانی شدہ نیبر اے کی بنیاد پر بجلی خریداری کے معاہدہ (EPA) کو باہمی گفت و شنید کے ساتھ حتمی شکل دی جسے بعد میں سی۔ پی۔ پی۔ اے کے بورڈ آف ڈائریکٹرز نے دیکھ کر لینے کے لیے منظور کر لیا۔ بجلی خریداری کا معاہدہ (ای۔ پی۔ اے) شادان ج شوگر ملز نیٹ ورک (ایس۔ ایس۔ ایم۔ ایل) اور سنٹرل پاور پراجیکٹ (سی۔ پی۔ پی۔ اے) کے مابین ۲۳ دسمبر ۲۰۲۲ کو دیکھ کر دیا گیا ہے۔ نفاذ کا معاہدہ (IA) SSMIL اور متبادل توانائی ترقیاتی بورڈ (ای۔ پی۔ پی۔ اے) کے مابین ۰۳ اپریل ۲۰۲۳ کو دیکھ کر دیا گیا ہے۔ اب ہم پروجیکٹ کے مالیاتی اختتام (Financial Close) کا پورے حاصل کرنے کے مرحلے میں ہیں۔

آپ کے ڈائریکٹرز اس موقع پر کھینچی کے آفسرز، اسٹاف ممبران اور تمام کارکنان کی جان نثانی اور کام سے لگاؤ کے معترف ہیں۔

برائے اور اطراف بورڈ آف ڈائریکٹرز

Muhammad Nawaz

(Name)

میر نواز
چیف ایگزیکٹو

ایم فیض
ڈائریکٹر

کراچی
۳۰۲۳-۲۶

ڈائریکٹرز رپورٹ برائے ممبران

ادارے کے ڈائریکٹرز انتہائی مسرت کے ساتھ اختتام شدہ ششماہی ۳۱ مارچ ۲۰۲۳ء کے لیے ادارہ کا غیر حساب شدہ مختصر عبوری مالیاتی گوشوارہ آپ کی خدمت میں پیش کرتے ہیں۔

گزشتہ سال کے مقابلے میں موجودہ کرشنگ سیزن کی پیداواری کارکردگی ذیل میں درج ہے۔

۳۱ مارچ

۲۰۲۲	۲۰۲۳	پیداواری اعداد و شمار
۲۰ نومبر ۲۰۲۱	۲۵ نومبر ۲۰۲۲	آغاز سیزن
۲۵ مارچ ۲۰۲۲	۰۸ مارچ ۲۰۲۳	اختتام سیزن
۱۴۶ اداں	۱۰۳ اداں	دورانہ سیزن
۱۰۰۳۱.۹۲۳ میٹرک ٹن	۸۶۱.۳۲۵ میٹرک ٹن	گنے کی پیمائی
		پیداوار
۹۱.۶۰۳ میٹرک ٹن	۷۶۰۰ میٹرک ٹن	چینی
۳۵.۷۸۶ میٹرک ٹن	۳۲.۶۳۳ میٹرک ٹن	راب
		پیداواری تناسب
۸.۸۸ فیصد	۸.۷۷ فیصد	چینی
۳.۳۳ فیصد	۳.۱۵ فیصد	راب

اپنے علاقہ و علاقہ جات میں موجود گنے کی کرشنگ کے بعد، ۷۶۰۰ میٹرک ٹن چینی بنانے میں کامیاب ہوئے جو گزشتہ سیزن کے مقابل تقریباً ۱۵ فیصد کم ہے۔ زربکارت رقبہ میں کمی، فی ایکڑ کم پیداوار اور گنے کی کم دستیابی 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 سیزن میں صرف ۹ فیصد گنے کی خریداری، عیرونی علاقوں سے کی گئی۔ تاہم، چینی کی بازیابی کی شرح گزشتہ سال کی اسی مدت کے مقابلے میں بہت بہتر تھی جس کی وجہ سے گنے کی صحت مند فصل، زیادہ سوکروں اور بہتر موٹی حالات ہیں۔

حکومت پنجاب نے سیزن کے لیے گنے کی کم از کم قیمت خرید ۲۲۵ روپے فی ۲۰ کلوگرام سے بڑھا کر ۳۰۰ روپے فی ۲۰ کلوگرام کر دی ہے۔ گنے کی کم از کم قیمت خرید میں نمایاں اضافے کی وجہ سے سیزن کے لیے گنے کی خریداری کی اوسط لاگت ۱۳-۳۰ فی ۲۰ کلوگرام رہی جبکہ گزشتہ سیزن یہ قیمت ۸۳-۲۳۰ روپے فی ۲۰ کلوگرام تھی جو کہ پچھلے سیزن کے مقابلے میں تقریباً % ۲۸ زیادہ ہے۔ گنے کی خریداری کی لاگت میں یہ اضافہ چینی کی مانی کارکردگی کو متاثر کرے گا۔

پیداوار میں کمی اور مارکیٹ میں چینی کی زائد دستیابی کی وجہ سے پچھ ماہ کی مدت کے دوران چینی کی قیمت اسی مدت کے مقابل کم رہی۔ اس صورتحال پر قابو پانے کے لیے حکومت نے مجموعی طور پر ۲۵۰,۰۰۰ میٹرک ٹن چینی کی برآمد کی اجازت دی جس میں پنجاب کا حصہ ۶۱ فیصد تھا۔ تاہم، پچھلے سیزن کے چینی کے اضافی ذخائر کو مد نظر رکھتے ہوئے برآمدی کو بہت معمولی تھا۔ اٹھول کی بہترین الاقوامی قیمت کی وجہ سے زرخیز مدت کے دوران راب کی قیمت اسی مدت کے مقابلے بہتر رہی۔

اس ششماہی کے دوران، آپ کے ادارے کی فروخت ۶۸۸-۵۷۷ ملین روپے رہی جو کہ ۲۰۲۳ کے اسی عرصہ میں ۶۳۰-۶۳۰ ملین روپے تھی۔ پیداواری لاگت ۵۰۶-۵۰۵ ملین روپے رہی جبکہ گزشتہ سال کے اسی عرصہ میں یہ رقم ۵۰۸-۵۰۱ ملین روپے تھی۔ اس طرح اختتام شدہ ششماہی ۳۱ مارچ ۲۰۲۳ میں ادارے کو ۱۸۶-۶۶ ملین روپے کا مجموعی منافع ہوا جبکہ گزشتہ سال کے دوران یہ مجموعی منافع ۱۳۲-۵۵۰ ملین روپے تھا۔ اسی مدت کے لیے کل منافع کی شرح ۶۶-۱۱ فی صد رہی جبکہ گزشتہ سال اسی مدت میں شرح ۱۵-۱۵ فی صد تھی۔ کل منافع کے مجموعی مارجن میں نمایاں کمی ختم ہوا اور پیکنگ میٹریل کی قیمتوں میں اضافے، افراتفر، اور روپے کی قدر میں کمی کے باعث ہوئی۔ خالص نفع ۹۱۶-۸۶۲ ملین روپے رہا جبکہ اس کے مقابل گزشتہ سال خالص نفع ۱۱۲-۱۲۸ ملین روپے رہا۔ فی شخص آمدنی ۲۳-۷ روپے ہے جو کہ گزشتہ سال اسی مدت میں ۳۳-۱۲ روپے فی شخص تھی۔ اس مدت کی مالیاتی لاگت ۲۰۲۳-۲۰۲۲ ملین روپے رہی جبکہ گزشتہ سال کے اسی عرصہ میں یہ رقم ۲۱۱-۱۷۳ ملین روپے تھی جسکی وجہ سے پالیسی کی شرح میں نمایاں اضافہ ہے۔ ملک اب تک کی سب سے زیادہ بڑھتی کی قیمت میں ہے جس نے ہمارے منافع اور باقی منصفوں کو بھی متاثر کیا ہے۔ اسٹیٹ بینک کا پالیسی ریٹ اپنی بلند ترین سطح % ۲۱ پر ہے جس کی وجہ سے سرمایہ اور ششماہی دونوں کے لیے مالیاتی لاگت میں نمایاں اضافہ ہوا ہے۔ افراتفر زور دار مالیاتی لاگت کی اس بلند سطح کا اثر سالانہ نتائج پر پڑے گا۔

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 as at 31 March 2023 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 half year then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed 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. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended 31 March 2023 and 31 March 2022 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 March 2023. .

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 condensed 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 condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Syed Mustafa Ali.



RIAZ AHMAD & COMPANY
Chartered Accountants

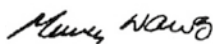
Lahore
Date: 26 May 2023
UDIN: RR202310168vmYbKtNS2

Condensed Interim Statement of Financial Position

As at 31 March 2023

Note	(Un-audited) 31 March 2023 (Rupees in thousand)	(Audited) 30 September 2022
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital 15,000,000 (30 September 2022: 15,000,000) ordinary shares of Rupees 10 each	150,000	150,000
Issued, subscribed and paid-up share capital 12,011,096 (30 September 2022: 12,011,096) ordinary shares of Rupees 10 each	120,111	120,111
Reserves	2,823,974	2,737,058
Loans from directors	146,000	146,000
Total equity	3,090,085	3,003,169
LIABILITIES		
NON-CURRENT LIABILITIES		
Long term financing	414,777	518,471
Loan from associate	104,188	102,731
Lease liability	16,516	19,668
Retirement benefits obligations	33,752	31,805
Deferred taxation	77,708	27,447
	646,941	700,122
CURRENT LIABILITIES		
Trade and other payables	1,193,049	165,704
Contract liabilities	635,731	25,560
Short term borrowings	2,893,427	2,872,574
Accrued mark-up	227,579	207,871
Current portion of non-current liabilities	209,250	259,119
Unclaimed dividend	7,346	7,353
	5,166,382	3,538,181
TOTAL LIABILITIES	5,813,323	4,238,303
CONTINGENCIES AND COMMITMENTS	8	
TOTAL EQUITY AND LIABILITIES	8,903,408	7,241,472

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



Chief Executive

	Note	(Un-audited) 31 March 2023 (Rupees in thousand)	(Audited) 30 September 2022
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	4,335,935	4,226,040
Right-of-use asset		14,503	15,821
Long term investment		183,133	190,443
Long term loans		6,121	3,873
Long term deposits		34,341	28,365
		4,574,033	4,464,542
CURRENT ASSETS			
Stores, spares and loose tools		200,722	172,503
Stock-in-trade		3,632,259	2,074,179
Trade debts		250,159	188,123
Loans and advances		18,618	61,074
Short term prepayments		9,677	4,227
Other receivables		16,012	16,000
Advance income tax - net		163,886	224,286
Cash and bank balances		38,042	36,538
		4,329,375	2,776,930
TOTAL ASSETS		8,903,408	7,241,472



Director



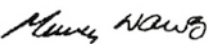
Chief Financial Officer

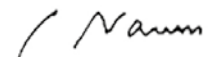
Condensed Interim Statement of Profit or Loss (Un-audited)

For the half year ended 31 March 2023

	Note	Half Year Ended 31 March		Quarter Ended 31 March	
		2023	2022	2023	2022
(Rupees in thousand)					
Revenue from contracts with customers	10	5,721,688	3,630,642	3,890,231	2,067,293
Cost of sales	11	(5,054,506)	(3,080,510)	(3,476,171)	(1,818,707)
Gross profit		667,182	550,132	414,060	248,586
Distribution cost		(14,500)	(9,653)	(9,999)	(5,019)
Administrative expenses		(175,367)	(161,229)	(100,830)	(89,408)
Other operating expenses		(18,536)	(17,387)	(12,090)	(3,999)
		(208,403)	(188,269)	(122,919)	(98,426)
		458,779	361,863	291,141	150,160
Other income		30,506	9,830	23,909	8,764
Profit from operations		489,285	371,693	315,050	158,924
Finance cost		(273,022)	(173,610)	(166,215)	(117,687)
		216,263	198,083	148,835	41,237
Share of profit of associate - net of tax		7,641	24,889	7,641	24,889
Profit before taxation		223,904	222,972	156,476	66,126
Taxation		(136,988)	(74,860)	(111,743)	(25,348)
Profit after taxation		86,916	148,112	44,733	40,778
Earnings per share - basic and diluted (rupees)	12	7.24	12.33	3.72	3.40

The annexed notes 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 2023

	Half Year Ended 31 March		Quarter Ended 31 March	
	2023	2022	2023	2022
	(Rupees in thousand)			
Profit after taxation	86,916	148,112	44,733	40,778
Other comprehensive income				
Items that will not be reclassified to profit or loss:	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	86,916	148,112	44,733	40,778

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


Chief Executive


Director

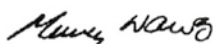

Chief Financial Officer

Condensed Interim Statement of Changes in Equity

For the half year ended 31 March 2023

	RESERVES							TOTAL EQUITY		
	SHARE CAPITAL	CAPITAL RESERVE		REVENUE RESERVE			LOANS FROM DIRECTORS			
		Share premium	Surplus on revaluation of property, plant and equipment	Subtotal	General reserve	Accumulated losses			Subtotal	
							Total			
	120,111	27,534	1,506,111	1,533,645	1,016,000	(174,903)	841,097	2,374,742	150,000	2,644,853
Balance as at 30 September 2021 (audited)	-	-	-	-	-	(60,055)	(60,055)	(60,055)	-	(60,055)
Transaction with owners - Final dividend for the year ended 30 September 2021 @ Rupees 5 per share	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	148,112	148,112	148,112	-	148,112
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	148,112	148,112	148,112	-	148,112
Balance as at 31 March 2022 (Un-audited)	120,111	27,534	1,506,111	1,533,645	1,016,000	(86,846)	929,154	2,462,799	150,000	2,732,910
Loss for the period	-	-	-	-	-	(147,035)	(147,035)	(147,035)	-	(147,035)
Other comprehensive income for the period	-	-	422,373	422,373	-	(1,079)	(1,079)	(1,079)	-	421,294
Total comprehensive income for the period	-	-	422,373	422,373	-	(148,114)	(148,114)	(148,114)	-	274,259
Loan from director reclassified	-	-	-	-	-	-	-	-	(4,000)	(4,000)
Associate's changes in equity - adjustment	-	-	-	-	129,167	(129,167)	-	-	-	-
Balance as at 30 September 2022 - (audited)	120,111	27,534	1,928,484	1,956,018	1,145,167	(94,127)	781,040	2,737,058	146,000	3,003,169
Profit for the period	-	-	-	-	-	86,916	86,916	86,916	-	86,916
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	86,916	86,916	86,916	-	86,916
Balance as at 31 March 2023 - (un-audited)	120,111	27,534	1,928,484	1,956,018	1,145,167	(277,211)	867,956	2,823,974	146,000	3,090,065

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



Chief Executive



Director

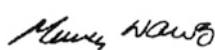


Chief Financial Officer

Condensed Interim Statement of Cash Flows (Un-audited)
For the half year ended 31 March 2023

	Half Year Ended 31 March	
	2023	2022
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	223,904	222,972
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	16,342	12,286
Depreciation of right-of-use asset	1,318	1,318
Finance cost	273,022	173,610
Profit on bank deposits	(4,080)	(5,211)
Share of profit from associate	(7,641)	(24,889)
Unwinding of deferred grant	-	(2,796)
Fair value adjustment due to impact of IFRS-9	1,457	-
Gain on disposal of operating fixed assets	(928)	(1,123)
Provision for retirement benefits obligations	2,588	1,906
Allowance for expected credit losses against trade debts	128	-
Provision for doubtful advances to suppliers	553	-
Reversal of provision for doubtful advances to suppliers	(613)	-
Reversal of allowance for expected credit losses against loans to employees	(236)	-
Provision for leave encashment	1,736	-
Fair value adjustment on financial asset	1,820	755
	285,466	155,856
Operating profit before working capital changes	509,370	378,828
Working capital changes		
(Increase) / decrease in current assets:		
-Stores, spares and loose tools	(28,219)	(11,984)
-Stock-in-trade	(1,558,080)	(3,634,910)
-Trade debts	(62,164)	(114,807)
-Loans and advances	42,752	(21,189)
-Short-term prepayments	(5,450)	(4,487)
-Other receivables	(12)	-
	(1,611,173)	(3,787,377)
Increase / (decrease) in current liabilities		
-Trade and other payables	1,027,701	1,109,179
-Contract liabilities	610,171	251,347
Cash generated from / (used in) operations	536,069	(2,048,023)
Income tax paid	(26,327)	(61,889)
Finance cost paid	(253,314)	(110,031)
Profit on bank deposits received	4,080	5,211
Leave encashment paid	(141)	(403)
Retirement benefits paid	(641)	(210)
Net cash generated from / (used in) operating activities	259,726	(2,215,345)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment - acquired	(127,259)	(4,528)
Proceeds from disposal of property, plant and equipment	-	1,150
Increase in long term deposits	(5,976)	-
Increase in long term loans	(4,068)	(2,729)
Dividend received from associate	14,951	13,225
Net cash (used in) / from investing activities	(122,352)	7,118
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(7)	(54,655)
Short-term borrowings - net	20,853	2,582,900
Repayment of lease liability	(3,022)	(2,911)
Long-term financing repaid	(153,694)	(167,947)
Net cash (used in) / from financing activities	(135,870)	2,357,387
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,504	149,160
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	36,538	21,554
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	38,042	170,714

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



Chief Executive



Director



Chief Financial Officer

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

For the half year ended 31 March 2023

1. THE COMPANY AND ITS OPERATIONS

Shahtaj Sugar Mills Limited (the Company) was incorporated in Pakistan on 27 March 1965 as a public limited company under the Companies Act, 1913 (Now Companies Act, 2017). Its registered office is situated at 19, Dockyard Road, West Wharf, Karachi. 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. The business units of the Company along with their locations are as follows:

Business Unit	Address
Registered Office	19, Dockyard Road, West Wharf, Karachi.
Head Office	72-C/1, M. M. Alam Road, Gulberg-III, Lahore.
Production Plant	Kuthiala Saidan, Mandi Bahauddin.

- 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 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. The Company expects to commence commercial generation after obtaining approval from the competent authority and any surplus electric power, not consumed by the Company itself, will be sold to the Central Power Purchasing Agency (Guarantee) Limited (CPPA-G). The Company has to achieve Commercial Operation Date (COD) of the project before 31 December 2023 in compliance with Indicative Generation Capacity Expansion Plan (IGCEP) 2021, as required by NEPRA, as per the terms and conditions of generation tariff. During the period, Interconnection works-loan agreement has been signed with Gujranwala Electric Power Company Limited (GEPCO) for the installation of interconnection facility between the switch yard and GEPCO's system. Subsequent to reporting date, the implementation agreement has also been signed. The Company is in the process of finalization of revised syndicate term finance facility to achieve financial close as per the conditions of Letter of Support (LOS) issued by AEDB.

2. 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; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the 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. BASIS OF PREPARATION

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 30 September 2022. These condensed interim financial statements are un-audited, however have been subjected to limited scope review by the auditors and being submitted to the

Selected Notes to the Condensed Interim Financial Statements (Un-audited) For the half year ended 31 March 2023

shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017.

4. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 September 2022.

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 JUDGEMENTS

The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of these condensed interim financial statements, the significant judgments 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 30 September 2022.

	(Un-audited) 31 March 2023	(Audited) 30 September 2022
--	----------------------------------	-----------------------------------

(Rupees in thousand)

7. LONG TERM FINANCING

Opening balance	775,859	1,125,503
Less: Repaid during the period / year	(153,694)	(349,644)
	622,165	775,859
Less: Current portion shown under current liabilities	(207,388)	(257,388)
	414,777	518,471

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

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 30 September 2022 except following:

Selected Notes to the Condensed Interim Financial Statements (Un-audited) For the half year ended 31 March 2023

- 8.1.1** Market committee fee payable by the Company has been recorded at Rupees 5 per metric ton. However, a notification has been issued by the Agriculture Department, Government of the Punjab dated 02 August 2017 for increase in rate to Rupees 10 per metric ton. Being aggrieved, the Company filed writ petition in Honourable Lahore High Court, Lahore which by order dated 18 December 2020 transmitted the petitions to the Agriculture Department, Government of the Punjab by directing to look into petitioners' grievance and redress it strictly in accordance with law after hearing the petitioners and all concerned through a speaking order. The Agriculture Department, Government of the Punjab vide order dated 07 July 2021 decided the petitions against the Company and ordered to pay the market committee fee to concerned market committee as per notification dated 02 August 2017 from the date of issuance of the notification. Accordingly, a demand was raised by Chairman Market Committee, Mandi Bahauddin vide letter dated 30 August 2021 to pay market committee fee as per revised rates. Petitions have been filed by other sugar mills in Honourable Lahore High Court, Lahore in which above said notification has been challenged and the Honourable Lahore High Court, Lahore has granted stay order. Management is confident that the matter will be decided in favour of the sugar industry, hence, the additional market committee fee of Rupees 24.908 million (30 September 2022: Rupees 20.976 million) would not be payable.
- 8.1.2** Subsequent to the reporting date, on 20 April 2023, a notification has been issued by Directorate General Industries, Prices, Weights & Measures, Punjab in which maximum retail price of locally produced white crystalline sugar was fixed at Rupees 98.82 per kg. Against the order, the Company has filed writ petition in Honourable Lahore High Court, Lahore who vide order dated 05 May 2023 issued direction that till the next date of hearing, no coercive measures shall be taken against the Company. Management is confident that the matter will be decided in favour of the sugar industry.

8.2 Commitments

- 8.2.1** 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) 31 March 2023	(Audited) 30 September 2022
	(Rupees in thousand)	
Not later than one year	5,504	5,410
Later than one year and not later than five years	19,135	21,887
	24,639	27,297

- 8.2.2** Contracts for capital expenditure are approximately of Rupees 313.016 million (30 September 2022: Nil).

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

For the half year ended 31 March 2023

	Note	(Un-audited) 31 March 2023 (Rupees in thousand)	(Audited) 30 September 2022
9. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	9.1	2,495,045	2,511,032
Capital work-in-progress	9.2	1,840,890	1,715,008
		4,335,935	4,226,040
9.1 Operating fixed assets			
Opening book value		2,511,032	1,934,935
Add: Surplus on revaluation of land incorporated during the period / year		-	422,373
Add: Cost of additions during the period / year	9.1.1	1,377	192,871
Less: Book value of deletions during the period / year	9.1.2	(1,022)	(5,011)
		2,511,387	2,545,168
Less: Depreciation charged during the period / year		(16,342)	(34,136)
		2,495,045	2,511,032
9.1.1 Cost of additions			
Plant and machinery		180	184,741
Motor vehicles		640	6,616
Furniture and fittings		23	147
Office equipment		534	1,367
		1,377	192,871
9.1.2 Book value of deletions			
Plant and machinery		-	3,189
Motor vehicles		1,022	1,797
Furniture and fittings		-	25
		1,022	5,011
9.2 Capital work in progress			
Civil works		50,578	50,471
Plant and machinery		1,065,238	1,057,752
Other directly attributable overheads		621,334	556,472
Advances to suppliers		103,740	50,313
		1,840,890	1,715,008

Selected Notes to the Condensed Interim Financial Statements (Un-audited) For the half year ended 31 March 2023

	(Un-audited) Half Year Ended 31 March		(Un-audited) Quarter Ended 31 March	
	2023	2022	2023	2022
	(Rupees in thousand)			
10. REVENUE FROM CONTRACTS WITH CUSTOMERS				
Gross revenue	6,558,706	4,171,918	4,407,979	2,362,490
Less:				
Broker's commission on sugar	9,072	6,001	5,082	3,353
Sales tax	820,740	531,769	508,655	290,075
Withholding tax on sales	7,206	3,506	4,011	1,769
	837,018	541,276	517,748	295,197
	5,721,688	3,630,642	3,890,231	2,067,293
Set out below is the disaggregation of the Company's revenue from contracts with customers:				
Major Products:				
Sugar	5,547,063	3,379,997	3,411,794	1,746,218
Molasses	826,576	613,979	826,576	462,406
Bagasse	173,804	151,807	160,721	136,446
Press mud	11,263	26,135	8,888	17,420
Gross revenue	6,558,706	4,171,918	4,407,979	2,362,490
Geographical region:				
Pakistan	6,174,973	4,171,918	4,024,246	2,362,490
Saudi Arabia	370,037	-	370,037	-
Canada	13,696	-	13,696	-
	6,558,706	4,171,918	4,407,979	2,362,490
Type of customer:				
Government institutions	-	-	-	-
Non-government customers	6,558,706	4,171,918	4,407,979	2,362,490
Timing of transfer of goods:				
Goods transferred to customers at a point over time	-	-	-	-
Goods transferred to customers at a point in time	6,558,706	4,171,918	4,407,979	2,362,490

Selected Notes to the Condensed Interim Financial Statements (Un-audited)
For the half year ended 31 March 2023

	(Un-audited) Half Year Ended 31 March		(Un-audited) Quarter Ended 31 March	
	2023	2022	2023	2022
	(Rupees in thousand)			
11. COST OF SALES				
Raw materials consumed:				
Sugarcane purchased	6,004,373	6,169,235	4,063,987	4,185,489
Sugarcane development cess	49,147	38,697	32,993	26,188
Market committee fee	3,932	5,160	2,640	3,492
	6,057,452	6,213,092	4,099,620	4,215,169
Process materials	125,106	122,191	83,661	83,693
Fuel and power	19,934	10,831	7,071	3,523
Stores and spares consumed	60,785	61,141	27,738	26,817
Repairs and maintenance	23,650	12,242	14,748	2,069
Salaries, wages and other benefits	203,725	182,708	129,862	112,801
Company's contribution to provident fund	1,344	1,334	718	731
Rent, rates and taxes	649	735	219	118
Insurance	2,832	3,032	1,528	1,632
Conveyance and travelling	9,421	6,818	4,747	3,579
Depreciation on operating fixed assets	14,472	10,825	7,223	5,485
Ijarah rentals	2,581	-	1,513	-
Other expenses	11,541	11,069	10,939	7,577
	6,533,492	6,636,018	4,389,587	4,463,194
Work-in-process				
Add: Opening stock of sugar and molasses in process	4,232	9,349	32,478	95,531
Less: Closing stock of sugar and molasses in process	(4,657)	(4,144)	(4,657)	(4,144)
	(425)	5,205	27,821	91,387
Cost of sugar manufactured	6,533,067	6,641,223	4,417,408	4,554,581
Packing material consumed	77,823	78,304	55,030	53,150
Cost of sugar bagged	6,610,890	6,719,527	4,472,438	4,607,731
Finished goods				
Add: Opening stock	2,069,345	948,220	2,629,462	1,798,213
Less: Closing stock	(3,625,729)	(4,587,237)	(3,625,729)	(4,587,237)
	(1,556,384)	(3,639,017)	(996,267)	(2,789,024)
	5,054,506	3,080,510	3,476,171	1,818,707

Selected Notes to the Condensed Interim Financial Statements (Un-audited) For the half year ended 31 March 2023

		(Un-audited) Half Year Ended 31 March	
		2023	2022
12. EARNINGS PER SHARE - BASIC AND DILUTED			
There is no dilutive effect on the basic earnings per share which is based on:			
Profit attributable to ordinary shareholders	(Rupees in thousand)	86,916	148,112
Weighted average number of ordinary shares	(Numbers)	12,011,096	12,011,096
Earnings per share	(Rupees)	7.24	12.33

13. OPERATING SEGMENTS

Based on the information provided to chief operating decision maker (the CEO), the Company considers its operations as a single operating segment and disclosures are presented accordingly. The co-generation power project is in progress as disclosed in note 1.1. Once completed and operational, the power project shall be treated as a separate segment.

14. TRANSACTIONS 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:

	(Un-audited) Half Year Ended 31 March		(Un-audited) Quarter Ended 31 March	
	2023	2022	2023	2022
(Rupees in thousand)				
I) Transactions				
Shahtaj Textile Limited				
Dividend received	14,950	13,225	-	-
Shahnawaz (Private) Limited				
Purchases and services	181	960	91	904
Utilities paid	256	99	146	50
Loan obtained	-	100,000	-	100,000
Loan repaid	-	100,000	-	100,000
Shezan International Limited				
Sale of sugar	408,105	142,980	271,665	73,080
Shezan Services (Private) Limited				
Interest charged	5,982	4,525	3,695	2,238

Selected Notes to the Condensed Interim Financial Statements (Un-audited)
For the half year ended 31 March 2023

	(Un-audited) Half Year Ended 31 March		(Un-audited) Quarter Ended 31 March	
	2023	2022	2023	2022
	(Rupees in thousand)			
State Life Insurance Corporation of Pakistan				
Premium paid	185	440	-	-
KSB Pumps Company Limited				
Purchases made	12,574	-	12,574	-
Staff Provident Fund Trust				
Contributions paid	2,804	2,639	1,436	1,359
Key Management Personnel				
Remuneration and benefits	47,806	45,212	29,626	27,735

As at 31 March 2023 (Un-audited)

	Associated companies	Other related parties	Total
	(Rupees in thousand)		
ii) Period end balances			
Long term investment	183,133	-	183,133
Loans from directors	-	146,000	146,000
Loan from associate	104,188	-	104,188
Trade and other payables	837	-	837
Contract liabilities	439,236	-	439,236
Accrued mark-up	51,746	-	51,746

As at 30 September 2022 (Audited)

	Associated companies	Other related parties	Total
	(Rupees in thousand)		
Long term investment	190,443	-	190,443
Loans from directors	-	146,000	146,000
Loan from associate	102,731	-	102,731
Trade debts	43,775	-	43,775
Accrued mark-up	47,220	-	47,220

Selected Notes to the Condensed Interim Financial Statements (Un-audited) For the half year ended 31 March 2023

15. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 September 2022.

16. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the condensed interim statement of financial position and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

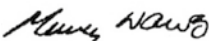
Corresponding figures have been re-measured, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.

17. GENERAL

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.

18. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue by the Board of Directors on **26 May 2023**.



Chief Executive



Director



Chief Financial Officer

www.jamapunji.pk

 **Jama
Punji**








سرمایہ کاری سمجھداری کے ساتھ






**Be aware, Be alert,
Be safe**

**Learn about investing at
www.jamapunji.pk**

Key features:

-  Licensed Entities Verification
-  Scam meter*
-  Jamapunji games*
-  Tax credit calculator*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered

-  Stock trading simulator
(based on live feed from KSE)
-  Knowledge center
-  Risk profiler*
-  Financial calculator
-  Subscription to Alerts (event
notifications, corporate and
regulatory actions)
-  Jamapunji application for
mobile device
-  Online Quizzes



Jama Punji is an Investor
Education Initiative of
Securities and Exchange
Commission of Pakistan

 jamapunji.pk

 @jamapunji_pk

*Mobile apps are also available for download for android and ios devices

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

