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THE PREMIER SUGAR MILLS & DISTILLERY CO., LTD.
MARDAN



**THE PREMIER SUGAR MILLS
& DISTILLERY CO. LTD.,
MARDAN**

**CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED
DECEMBER 31, 2020**

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

COMPANY INFORMATION

Board of Directors

Mr. Aziz Sarfaraz Khan	Chairman
Mr. Abbas Sarfaraz Khan	Chief Executive
Begum Laila Sarfaraz	Director
Ms. Zarmine Sarfaraz	Director
Mr. Iskander M. Khan	Director
Mr. Shahbaz HaiderAgha	Independent Director
Mr. SalmanAhmad	Independent Director

Company Secretary

Mr. Mujahid Bashir

Chief Financial Officer

Mr. Rizwan Ullah Khan

Head of Internal Audit

Mr. Zaheer Mir

Auditors

M/s. ShineWing Hameed Chaudhri & Co.,
Chartered Accountants

Tax Consultants

M/s. ShineWing Hameed Chaudhri & Co.,
Chartered Accountants

Legal Advisor

Mr. Isaac Ali Qazi
Advocate

Shares Registrar

M/s. Hameed Majeed Associates (Pvt.) Limited,
H.M. House, 7-Bank Square, Lahore.
Phone No. : 042-37235081 Fax No. : 042-37235083

Bankers

Bank Al-Habib Limited	The Bank of Khyber
MCB Bank Limited	United Bank Limited
Allied Bank Limited	The Bank of Punjab
Bank Al-Falah Limited	Faysal Bank Limited
Habib Bank Limited	National Bank of Pakistan

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

DIRECTORS' REVIEW REPORT

The Directors of The Premier Sugar Mills and Distillery Company Limited ("the Company") are pleased to present the un-audited condensed interim financial information of the Company for the first quarter ended December 31, 2020 to the shareholders of the Company in compliance with Section 237 of the Companies Act, 2017 (the Act) and the rule book of the Pakistan Stock Exchange.

OPERATIONAL OPERATIONS

The sugarcane crushing season 2020-21 commenced on November 05, 2020. The mills have crushed 22,590.385 tons of sugarcane and have produced 1817.50 tons of sugar till December 08, 2020. We perforce stopped crushing operations effective Dec 09, 2020 due to non-supply of sugarcane to the mills and diversion of the entire sugarcane crops towards the Tax-Free Commercial Gur making and its onward smuggling to Afghanistan. We have filed writ petition in the Peshawar High Court to stop the involvement of middleman in the sugarcane purchase and implementation of The Gur Control Act, 1948 in order to secure the sugarcane supply to the Mills. The case is pending for adjudication.

SUGAR PRICES

The Company operated at 17.4% of this operating capacity for only 34 days and had to close its operations due to non-supply of sugarcane.

DISTILLERY

The Plant remained non-operational during the first Quarter ended December 31, 2020 due to high prices of Molasses.

FINANCIAL PERFORMANCE

The Company suffered Rs. 79.172 million loss after taxation (2019: Rs. 41.776 million) during the first quarter ended December 31, 2020.

ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this quarterly condensed interim financial information are the same as applied in the preparation of the preceding annual financial statements of the Company.

ACKNOWLEDGEMENT

The Directors appreciate the good work done by the Company's staff at all levels.

FOR AND ON BEHALF OF THE BOARD



(ISKANDER M. KHAN)
Director



(ABBAS SARFARAZ KHAN)
Chief Executive

Islamabad
February 26, 2021

ڈسٹری

مولیسز کی قیمتیں زیادہ ہونے کی وجہ سے یہ پلانٹ 31 دسمبر 2020 کو ختم ہونے والے پہلے سہ ماہی کے دوران بند رہا۔

مالیاتی کارکردگی

پہلی سہ ماہی 31 دسمبر 2020 کے اختتام تک کمپنی کا نقصان بعد از ٹیکس 79.172 ملین روپے رہا (2019 میں 41.776 ملین روپے تھا)۔

اکاؤنٹنگ کی پالیسیاں

کمپنی کی سہ ماہی کنڈنسڈ انٹیرم مالیاتی معلومات کی تیاری کے دوران اپنائی گئی اکاؤنٹنگ پالیسیاں وہی ہیں جو پچھلے سال سالانہ مالیاتی حسابات میں اپنائی گئی تھیں۔۔

اعتراف

ڈائریکٹرز نے کمپنی کے عملے کی طرف سے کیے گئے ہر سطح پر اچھے کاموں کو سراہتے ہیں۔

منجانب بورڈ



اسکندر محمد خان

ڈائریکٹر



عباس میرزا خان

چیف ایگزیکٹو

اسلام آباد

بتاریخ: 26 فروری 2020

دی پریسمیر شوگر ملز اینڈ ڈسٹری کمپنی لمیٹڈ

ڈائریکٹرز کی جائزہ رپورٹ

دی پریسمیر شوگر ملز اینڈ ڈسٹری کمپنی لمیٹڈ کے ڈائریکٹرز کمپنی کی سہ ماہی رپورٹ 31 دسمبر 2020 کو پہلی سہ ماہی کے اختتام پر زیر ہونے پر غیر آڈٹ شدہ کنڈنسڈ انٹیرم مالیاتی معلومات حصص داروں کو نئے کمپنیز ایکٹ 2017 (دی ایکٹ) کے سیکشن 237 اور پاکستان سٹاک ایکسچینج کے قواعد کے مطابق مالیاتی گوشوارے، پیش کرنے پر مسرت محسوس کرتے ہیں۔

آپریشن کا جائزہ

گنے کا کرشنگ سیزن 2020-21 کا آغاز 05 نومبر 2020 کو شروع ہوا۔ 08 دسمبر 2020 تک ملز نے 22,590.385 ٹن گنے کو کرش کرتے ہوئے 1,817.50 ٹن چینی کی پیداوار کی۔ تاہم گنے کی فصلوں کو ٹیکس فری کرشل گز بنانے کی طرف موڑنے اور افغانستان کو اسمگل کرنے کی وجہ سے ملوں کو گنے کی فراہمی ناہونے کی وجہ سے کرشنگ آپریشن کو 09 دسمبر 2020 کو بند کرنا پڑا۔ ہم نے گنے کی خریداری میں مڈل مین کی شمولیت کو روکنے اور گز کنٹرول ایکٹ 1948 کے نفاذ سے متعلق پشاور ہائی کورٹ میں ایک پٹیشن دائر کی ہے جس کا مقصد ملوں کو گنے کی فراہمی کے عمل کو محفوظ بنانا ہے۔ کیس زیر سماعت ہے۔

چینی کی قیمت

کمپنی صرف 34 دنوں کے لئے اپنی صلاحیت کے 17.4 فیصد پہ کام کر سکی اور گنے کی عدم دستیابی کی وجہ سے آپریشن کو بند کرنا پڑا۔

**THE PREMIER SUGAR MILLS &
CONDENSED INTERIM STATEMENT OF FINANCIAL**

	<u>Unaudited</u> Dec 31, 2019	<u>Audited</u> Sep 30, 2020
Note	Rupees in thousand	
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Authorised capital 5,750,000 ordinary shares of Rs. 10 each	<u>57,500</u>	<u>57,500</u>
Issued, subscribed and paid-up capital	14 <u>37,500</u>	37,500
Capital reserves		
- share redemption	1	1
- revaluation surplus on property, plant and equipment	840,909	857,176
General revenue reserve	900,000	900,000
Accumulated loss	<u>(533,141)</u>	<u>(470,236)</u>
	<u>1,245,269</u>	<u>1,324,441</u>
NON-CURRENT LIABILITIES		
Long term finances	15 <u>21,798</u>	22,404
Lease liabilities	1,883	2,114
Government Grant	1,311	1,189
Staff retirement benefits - gratuity	19,219	18,479
Deferred taxation	19 <u>134,138</u>	148,753
	<u>178,349</u>	<u>192,939</u>
CURRENT LIABILITIES		
Trade and other payables	16 <u>137,354</u>	166,763
Unclaimed dividends	7,474	7,484
Accrued mark-up	6,484	6,237
Short term borrowings	17 <u>315,000</u>	290,000
Current portion of non- current liabilities	18 <u>28,740</u>	18,876
Taxation	19 <u>27,892</u>	23,724
	<u>522,944</u>	<u>513,084</u>
CONTINGENCIES AND COMMITMENTS		
	20	
	<u>1,946,562</u>	<u>2,030,464</u>

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


CHIEF EXECUTIVE

**DISTILLERY COMPANY LIMITED
POSITION AS AT DECEMBER 31, 2020**

	<u>Unaudited</u> Dec 31, 2019	<u>Audited</u> Sep 30, 2020
Note	Rupees in thousand	
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	5 <u>1,371,028</u>	1,403,441
Investment property	6 <u>25,563</u>	25,766
Long term investments	7 <u>170,006</u>	170,006
Long term loan to Subsidiary Company	0	0
Security deposits	<u>1,263</u>	1,263
	<u>1,567,860</u>	<u>1,600,476</u>
CURRENT ASSETS		
Stores and spares	8 <u>109,850</u>	106,626
Stock-in-trade	9 <u>132,913</u>	187,760
Trade debts, unsecured - considered good	<u>47,637</u>	16,883
Advances	10 <u>10,487</u>	4,451
Trade deposits and short term prepayments	11 <u>3,261</u>	1,178
Accrued profit on bank deposits	1,801	1,296
Other receivables	12 <u>12,007</u>	11,325
Current portion of long term loan to a Subsidiary Company	0	24,238
Income tax refundable, advance income tax and tax deducted at source	<u>26,201</u>	23,668
Bank balances	13 <u>34,545</u>	52,563
	<u>378,702</u>	<u>429,988</u>
	<u>1,946,562</u>	<u>2,030,464</u>


DIRECTOR


CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT
AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE FIRST QUARTER ENDED DECEMBER 31, 2020

		Dec 31, 2020	Dec 31, 2019
	Note	Rupees in thousand	
Sales - net	21	242,258	282,458
Cost of sales	22	317,142	300,221
Gross loss		<u>(74,884)</u>	<u>(17,763)</u>
Distribution cost	23	5,820	1,444
Administrative expenses	24	14,658	12,270
Other expenses	25	215	0
		<u>20,693</u>	<u>13,714</u>
		<u>(95,577)</u>	<u>(31,477)</u>
Other income	26	13,645	14,425
Loss from operations		<u>(81,932)</u>	<u>(17,052)</u>
Finance cost	27	7,688	24,110
Loss before taxation		<u>(89,620)</u>	<u>(41,162)</u>
Taxation		<u>(10,448)</u>	614
Loss after taxation		<u>(79,172)</u>	<u>(41,776)</u>
Other comprehensive income		<u>0</u>	<u>0</u>
Total comprehensive loss		<u>(79,172)</u>	<u>(41,776)</u>
		Rupees	
Loss per share		<u>(21.11)</u>	<u>(11.14)</u>

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE FIRST QUARTER ENDED DECEMBER 31, 2020

	Dec 31, 2020	Dec 31, 2019
	Rupees in thousand	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the period - before taxation	(89,620)	(41,162)
Adjustments for:		
Depreciation on property, plant and equipment	32,413	19,292
Depreciation on investment property	203	221
Mark-up on loan to Subsidiary company and profit / mark-up on bank deposits	(1,161)	(7,091)
Staff retirement benefits-gratuity (Net)	740	711
Finance cost	6,512	23,667
Loss before working capital changes	<u>(50,913)</u>	<u>(4,362)</u>
EFFECT ON CASH FLOWS DUE TO WORKING CAPITAL CHANGES		
Decrease / (Increase) in current assets:		
Stores and spares	(3,224)	(3,197)
Stock-in-trade	54,847	20,157
Trade debts	(30,754)	(586)
Loans and advances	(6,036)	(5,266)
Trade Deposits and short term prepayments	(2,083)	(2,129)
Other receivables	(682)	(9,884)
Advance sales tax - net	0	(2,779)
Decrease in trade and other payables	<u>(29,409)</u>	<u>(103,417)</u>
	<u>(17,341)</u>	<u>(107,101)</u>
Cash used in operations	<u>(68,254)</u>	<u>(111,463)</u>
Income Tax paid	(2,534)	(4,393)
Net cash used in operating activities	<u>(70,788)</u>	<u>(115,856)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	0	0
Mark-up / profit received on loan to Subsidiary company and bank deposits	658	(1,277)
Net cash used in investing activities	<u>658</u>	<u>(1,277)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Short term borrowings-net	25,000	147,000
Finance cost paid - Subsidiary Company	9,648	0
Finance cost paid - Subsidiary Company	24,238	0
Finance cost paid	(6,265)	(36,432)
Dividend paid	(10)	(4)
Lease finances - net	(499)	(1,178)
Net cash generated from financing activities	<u>52,112</u>	<u>109,386</u>
Net decrease in cash and cash equivalents	<u>(18,018)</u>	<u>(7,747)</u>
Cash and cash equivalents - at beginning of the period	<u>52,563</u>	<u>53,274</u>
Cash and cash equivalents - at end of the period	<u>34,545</u>	<u>45,527</u>

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE FIRST QUARTER ENDED DECEMBER 31, 2020

	Share capital	Reserves				TOTAL
		Capital		Revenue		
		Share redemption	Revaluation surplus on property, plant and	General	Accumulated Loss	
Balance as at September 30, 2019 - audited	37,500	1	519,562	900,000	(463,599)	993,464
Total comprehensive loss for 'the quarter ended December 31, 2019	0	0	0	0	(41,776)	(41,776)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the period -net of deferred taxation	0	0	(10,419)	0	10,419	0
Balance as at December 31, 2019 - unaudited	37,500	1	509,143	900,000	(494,956)	951,688
Balance as at September 30, 2020 - audited	37,500	1	857,176	900,000	(470,236)	1,324,441
Total comprehensive loss for the quarter ended December 31, 2020	0	0	0	0	(79,172)	(79,172)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for current period -net of deferred taxation	0	0	(16,267)	0	16,267	0
Balance as at December 31, 2020 'unaudited	37,500	1	840,909	900,000	(533,141)	1,245,269

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE FIRST QUARTER ENDED DECEMBER 31, 2020

1. Legal status and operations

The Premier Sugar Mills & Distillery Company Limited (the Company) was incorporated on July 24, 1944 as a Public Company and its shares are quoted on Pakistan Stock Exchange Limited. The Company is principally engaged in manufacture and sale of white sugar and spirit. The Company's Mills and Registered Office are located at Mardan (Khyber Pakhtunkhwa) whereas the Head Office is situated at King's Arcade, 20-A, Markaz F-7, Islamabad.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3. Significant Accounting Policies

The accounting policies and methods of computation adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended September 30, 2020 except following;

4. Accounting Estimates, Judgments and Financial Risk Management

The preparation of condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgments and estimates made by the management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended September 30, 2020.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended September 30, 2020.

	Unaudited Dec 31, 2020 (Rupees in thousand)	Audited Sep 30, 2020
5. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	<u>1,371,028</u>	<u>1,403,441</u>
(a) These represent costs incurred for erection of distillery at Ramak, Dera Ismail Khan.		
5.1. Operating fixed assets - tangible		
Book value at the beginning of the period / year	1,403,441	837,371
Additions during the period / year :		
- Plant & machinery	0	90,002
- furniture, fittings & office equipment	0	24,357
- vehicles	0	2,633
	<u>0</u>	<u>116,992</u>
Revaluations Adjustments		534,211
Book value of assets disposed-off during the period /year		(1,302)
Depreciation charge for the period / year	<u>(32,413)</u>	<u>(83,831)</u>
Book value at the end of the period / year	<u>1,371,028</u>	<u>1,403,441</u>
6. Investment property		
Opening book value	25,766	26,647
Depreciation charge for the period/ year	<u>(203)</u>	<u>(881)</u>
Closing book value	<u>25,563</u>	<u>25,766</u>
7. Long term investments		
Market values of the Company's quoted investments in Chashma Sugar Mills Ltd. (a Subsidiary Company) and Arpak International Investments Ltd. (an Associated Company) as at December 31, 2020 were Rs.1,265.642 million and Rs.28.838 million respectively.		
8. STORES AND SPARES		
Stores	41,191	40,219
Spares	<u>68,659</u>	<u>66,407</u>
	<u>109,850</u>	<u>106,626</u>

8.1	Stores and spares include items which may result in fixed capital expenditure but are not distinguishable.		
9. Stock-in-trade		Un-audited Dec 31, 2020	Audited Sep. 30, 2020
		(Rupees in thousand)	
	Sugar-in-process	21,302	7,832
	Finished goods:		
	- sugar	74,553	78,876
	- molasses	21,890	0
	- ethanol	15,168	101,052
		<u>111,611</u>	<u>179,928</u>
		<u>132,913</u>	<u>187,760</u>
10. ADVANCES - Considered good			
	Suppliers and contractors	4,846	2,376
	Employees	5,641	2,075
		<u>10,487</u>	<u>4,451</u>
10.1	No amount was due from key management personnel of the Company during the current and preceding years.		
11. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
	Excise duty deposit	240	136
	Short term prepayments	3,021	1,042
		<u>3,261</u>	<u>1,178</u>
12. Other receivables			
	Other receivables include due from Premier Board Mills Ltd. (an Associated Company) amounting Rs.5.148 million (September 30, 2020: Rs.3.413 million) on account of building lease rentals.		
13. Bank balances			
13.1	Period-end bank balances include deposits aggregating Rs.6 million lying with Innovative Investment Bank Ltd. (IIBL), Islamabad carrying profit at the rate of 5% per annum. The maturity dates of these deposits fell between July 29, 2009 to July 29, 2012.		
13.2	The realisability of these deposits is doubtful of recovery as these could not be encashed on their respective maturity dates; further, year-end balance confirmation certificate from IIBL was also not received. The Securities and Exchange Commission of Pakistan (SECP), in exercise of its powers conferred under sections 282 E & F of the repealed Companies Ordinance, 1984, had superseded the entire Board of Directors of IIBL and appointed an Administrator with effect from January 28, 2010. SECP had also instituted winding-up proceedings against IIBL before the Lahore High Court, Lahore (LHC). SECP had sought liquidation on a number of counts including violation of the Scheme of Amalgamation approved by SECP under which IIBL took over all the rights / liabilities of Crescent Standard Investment Bank Ltd.		
	The SECP winding-up petition has been decided by the LHC and LHC has appointed Joint Official Liquidator (JOL). The LHC, vide its order dated April 14, 2018 has approved release of payment upto Rs.10 million in respect of principal amount only subject to verification as per the laws. The amount of Rs.12 million, as per the LHC order, has been received by the Company during Dec, 2020. The management, for the release of further		

amount, anticipates that JOL will intimate in due course of time; no provision, therefore, for the remaining deposits aggregating Rs.6 million has been made in the books of account.

The Company has not accrued profit on these deposits during the current and preceding financial years.

13.3 There has been no change in the status of matter as reported in note 15.4 to the audited financial statements of the Company for the year ended September 30, 2020.

13.4 The Company had deposited Rs.5 million in Term Deposit with Mehran Bank Limited at Peshawar for a period of six months @ 12.5% per annum on September 25, 1993 vide TDR No.007902, which was to mature on March 25, 1994. The aforesaid TDR could not be encashed because of the crisis of Mehran Bank's affairs which were being administered by the State Bank of Pakistan (SBP). Mehran Bank Limited was eventually merged into National Bank of Pakistan (NBP).

The Company, through its lawyers, had issued legal notices to SBP, NBP and the defunct Mehran Bank Limited. In response, the Company had received a letter from NBP dated November 05, 1995 stating that the investment by the Company was shown in Fund Management Scheme, which was an unrecorded liability of Mehran Bank Limited. The Company had filed a suit with the Civil Court for recovery of the said amount along with profit @ 12.5% per annum with effect from September 25, 1993 till the date of payment. The Civil Judge, Peshawar, vide his judgment dated May 13, 2004, had decreed against SBP. SBP, against the said judgment, has filed an appeal before the Peshawar High Court, which is pending adjudication. Full provision for the said doubtful amount exists in these financial statements.

14. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		Un-audited	Audited
Dec 31, 2020	Sep. 30, 2020	Dec 31, 2020	Sep. 30, 2020
(No. of shares)		(Rupees in thousand)	
1,476,340	1,476,340	ordinary shares of Rs.10 each fully paid in cash	14,763 14,763
2,273,660	2,273,660	ordinary shares of Rs.10 each issued as fully paid bonus shares	22,737 22,737
3,750,000	3,750,000	37,500	37,500

14.1 Voting rights, board selection, right of first refusal and block voting are in proportion to the shareholding of the shareholders.

14.2 Arpak International Investments Ltd. (an Associated Company) held 400,000 ordinary shares as at December 31, 2020 and September 30, 2020.

15. LONG TERM FINANCES - Secured		Un-audited	Audited
Dec 31, 2020	Sep. 30, 2020	Dec 31, 2020	Sep. 30, 2020
Balance as at,		46,709	37,612
Less: current portion grouped under current liabilities		24,911	15,208
		21,798	22,404

16. TRADE AND OTHER PAYABLES	Un-audited	Audited
	Dec 31, 2020	Sep. 30, 2020
(Rupees in thousand)		
Due to Chashma Sugar Mills Limited - a related party	44,195	65,947
Creditors	61,294	12,960
Accrued expenses	14,349	14,183
Due to employees	6,739	6,802
Deposits from contractors and others	681	681
Advances from customers - contract liabilities	2,844	43,319
Income tax deducted at source	519	402
Sales tax payable	406	16,423
Workers' (profit) participation fund - allocation for the year	1,851	1,851
Gratuity payable to ex-employees	3,560	3,560
Employees' provident fund payable	764	482
Others	152	153
	137,354	166,763

17. SHORT TERM BORROWINGS		Un-audited	Audited
Dec 31, 2020	Sep. 30, 2020	Dec 31, 2020	Sep. 30, 2020
Secured	17.1	315,000	290,000

17.1 Short term finance facilities available from various commercial banks under mark-up arrangements aggregate Rs.1,350 million (2020: Rs.1,500 million). These facilities are secured against pledge of stock of refined sugar, charge over fixed assets, charge over present and future current assets of the Company and registered first exclusive charge over the Company's head office second and third floors. These facilities, during the year, carried mark-up at the rates ranging from 8.25 % to 9.19% (2020: 8.03% to 15.61%) per annum and are expiring on various dates by March 31, 2021.

17.2 Facilities available for opening letters of guarantee and credit from commercial banks aggregate Rs.95 million (2020: Rs.145 million). Out of the available facilities, facilities aggregating Rs.75 million (2020: Rs.125 million) remained unutilised at the year-end. These facilities are secured against lien over term deposit receipts, shipping documents and the securities detailed in the preceding paragraph.

18. CURRENT PORTION OF NON-CURRENT LIABILITIES		Un-audited	Audited
Dec 31, 2020	Sep. 30, 2020	Dec 31, 2020	Sep. 30, 2020
Long term finances		24,911	15,208
Lease liabilities		1,650	1,918
Government grant		2,179	1,750
		28,740	18,876

19. Taxation
Provision for the current period represents tax due under sections 5 (Tax on dividends), 15 (Income from property) and 113 (Minimum tax on income of certain persons) of the Income Tax Ordinance, 2001 (the Ordinance).

19.1 Deferred	Un-audited	Audited
	Dec 31, 2020	Sep. 30, 2020
This is comprised of the following:		
(Rupees in thousand)		
Taxable temporary differences arising in respect of:		
- accelerated tax depreciation allowances	15,360	16,462
- revaluation surplus on property, plant and equipment	343,470	350,114
- lease finances	285	285
	<u>359,115</u>	<u>366,861</u>
Deductible temporary differences arising in respect of:		
- available unused tax losses	(157,619)	(153,949)
- staff retirement benefits - gratuity	(5,574)	(5,359)
- provision for doubtful bank balance	(1,450)	(1,450)
- minimum tax recoverable against normal tax charge in future years	(60,334)	(57,350)
	<u>(224,977)</u>	<u>(218,108)</u>
	<u>134,138</u>	<u>148,753</u>
20. Contingencies and commitments		
20.1	There has been no significant change in the status of contingencies as reported in the audited financial statements of the Company for the year ended September 30, 2020.	
20.2	Guarantees given to Sui Northern Gas Pipelines Ltd. by a commercial bank on behalf of the Company outstanding as at December 31, 2020 were for Rs.20 million (September 30, 2020: Rs.20 million). These guarantees are valid upto May 26, 2021.	
21. SALES - Net	Dec 31, 2020	Dec 31, 2019
	Rupees in thousand	
Turnover:		
Local	163,714	312,470
Export	<u>102,332</u>	<u>0</u>
	<u>266,046</u>	<u>312,470</u>
Less: sales tax	<u>23,788</u>	<u>30,012</u>
	<u>242,258</u>	<u>282,458</u>
22. COST OF SALES		
Raw materials consumed	167,907	190,310
Chemicals and stores consumed	1,036	1,521
Salaries, wages and benefits	30,072	39,812
Power and fuel	21,991	14,709
Insurance	531	867
Repair and maintenance	9,203	14,657
Depreciation	31,554	18,188
	<u>262,294</u>	<u>280,064</u>

	Un-audited	Audited
	Dec 31, 2020	Sep. 30, 2020
(Rupees in thousand)		
Adjustment of sugar-in-process:		
Opening	7,832	3,003
Closing	(21,302)	(17,740)
	<u>(13,470)</u>	<u>(14,737)</u>
Cost of goods manufactured	<u>248,824</u>	<u>265,327</u>
Adjustment of finished goods:		
Opening stock	179,929	417,355
Closing stock	(111,611)	(382,461)
	<u>68,318</u>	<u>34,894</u>
	<u>317,142</u>	<u>300,221</u>
23. DISTRIBUTION COST		
Commission	128	197
Salaries, wages and amenities	281	343
Stacking and loading	646	781
Expenses on ethanol export	4,765	
Freight and packing charges for delivering sugar in small packets to a customer	0	123
	<u>5,820</u>	<u>1,444</u>
24. ADMINISTRATIVE EXPENSES		
Salaries and amenities	8,141	6,560
Travelling, vehicles' running and maintenance	591	623
Utilities	371	256
Directors' travelling	3	6
Rent, rates and taxes	542	450
Insurance	221	320
Repair and maintenance	716	824
Printing and stationery	678	731
Communication	311	399
Legal and professional charges (other than Auditors)	1,370	219
Subscription	197	127
Depreciation on:		
- operating fixed assets	859	1,104
- investment property	202	220
General office expenses	456	431
	<u>14,658</u>	<u>12,270</u>
25. OTHER EXPENSES		
Exchange fluctuation loss	<u>215</u>	<u>0</u>

26. OTHER INCOME	Un-audited	Audited
	Dec 31, 2020	Sep. 30, 2020
Income from financial assets:	(Rupees in thousand)	
Mark-up on loan to Subsidiary Company	540	6,734
Mark-up / interest / profit on bank deposits / saving accounts and certificates	621	357
Income from other than financial assets:		
Rent	7,183	6,630
Sale of agricultural produce	4,764	133
Government grant	537	0
Miscellaneous	0	571
	13,645	14,425

27. FINANCE COST

Mark-up on:		
- long term finances	913	0
- short term borrowings	6,512	23,667
Lease finance charges	135	144
Bank charges	128	299
	7,688	24,110

28. Transactions with related parties

28.1 The Company has related party relationship with its Subsidiary and Associated Companies, employee benefit plans, its directors and key management personnel. Transactions with related parties are carried-out on arm's length basis. There were no transactions with key management personnel other than under the terms of employment. Aggregate transactions with Subsidiary and Associated Companies during the period were as follows:

	Un-audited Period ended	
	Dec. 31, 2020	Dec. 31, 2019
Subsidiary Companies:	(Rupees in thousand)	
- purchase of goods	2,596	6,000
- rent paid	29	29
- rent received	5,445	4,950
- sale of molasses	0	105,920
- mark-up earned on long term loan	541	6,734
- expenses paid on behalf of the Company	7,430	4,220
- expenses paid by the Company	4,583	418
Associated Companies:		
- rent received	1,735	1,678
Key management personnel		
salaries and other benefits	5,164	4,636
contribution towards provident fund	253	249

28.2 The Company's shareholdings in Subsidiary and Associated Companies' have been detailed in note 7 of annual financial statements of the Company for the year ended September 30, 2020. In addition to the names of the Associated Companies detailed in note 7, the following are other Associated Companies:

- Syntronics Limited
- Syntron Limited
- Premier Ceramics Limited
- Phipson & Co. Pakistan (Pvt.) Ltd.

28.3 Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the Company. The Company considers its Chief Executive, directors and all members of management team to be its key management personnel.

29. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Particulars	Chief Executive		Directors		Executives	
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
	----- Rupees in thousand -----					
Managerial remuneration	300	300	750	2,059	4,114	2,277
Contribution to provident fund	0	0	-	113	253	153
	300	300	750	2,172	4,367	2,430
Number of persons	1	1	1	2	3	2

29.1 The Chief Executive, one director and the executives residing in the factory are provided free housing (with the Company's generated electricity in the residential colony within the factory compound). The Chief Executive, one director and executives are also provided with the Company maintained cars.

29.2 Remuneration of directors does not include amounts paid or provided for, if any, by the Subsidiary and Associated Companies.

30. Date of Authorisation for Issue

This condensed interim financial information was approved and authorised for issue by the Board of Directors of the Company on February 26, 2021.

31. Corresponding Figures

31.1 In order to comply with the requirements of IAS 34 'Interim financial reporting', the condensed interim balance sheet has been compared with the balances of annual audited financial statements of the preceding financial year, whereas, the condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison; however, no significant re-classifications / re-statements have been made to this condensed interim financial information.

31.2 Figures in this condensed interim financial information has been rounded-off to the nearest thousand Rupees.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER



**THE PREMIER SUGAR MILLS
& DISTILLERY CO. LTD.,
MARDAN**

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED
DECEMBER 31, 2020**

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF FINANCIAL POSITION**

AS AT DECEMBER 31, 2020

	Note	Unaudited December 31, 2020	Audited September 30, 2020
Assets			
Non-current Assets			
Property, plant and equipment	6	12,026,722	11,935,696
Right-of-use assets		393,409	400,998
Investment property		25,563	25,766
Long term investments		161,517	164,419
Security deposits		16,439	16,413
		12,623,650	12,543,292
Current Assets			
Stores and spares	7	596,899	641,229
Stock-in-trade	8	3,901,012	1,429,759
Trade debts		159,980	159,932
Loans and advances		1,729,433	1,394,226
Trade deposits, short term prepayments and other receivables	9	398,144	344,832
Accrued profit on bank deposits		1,801	1,296
Tax refunds due from the Government		331,468	332,874
Short term investments	10	40,370	31,097
Bank balances	11	892,202	364,707
		8,051,309	4,699,952
TOTAL ASSETS		20,674,959	17,243,244
Equity and Liabilities			
Share Capital and Reserves			
Authorised capital			
5,750,000 (2020: 5,750,000) ordinary shares of Rs.10 each		57,500	57,500
Issued, subscribed and paid-up capital		37,500	37,500
Capital reserves			
- share redemption		1	1
- revaluation surplus on property, plant and equipment		2,669,671	2,780,005
General revenue-reserve		1,010,539	1,010,537
Unappropriated profit		1,215,816	1,191,004
Equity Attributable to Equity Holders of the Holding Company		4,933,527	5,019,047
Non-Controlling Interest		4,191,343	4,128,754
		9,124,870	9,147,801
Non-current Liabilities			
Long term finances	12	1,625,827	1,537,579
Loans from related parties	13	206,825	219,325
Lease liabilities		280,094	280,959
Government grant		3,490	15,882
Deferred liabilities		1,538,875	1,520,115
		3,655,111	3,573,860
Current Liabilities			
Trade and other payables	14	1,974,200	1,064,750
Unclaimed dividends		18,586	13,322
Accrued mark-up		6,484	120,814
Short term borrowings		5,138,833	2,670,410
Current portion of non-current liabilities		728,449	613,578
Dividends payable to non-controlling interest		-	14,533
Taxation		28,426	24,176
		7,894,978	4,521,583
Total liabilities		11,550,089	8,095,443
Contingencies and Commitments			
TOTAL EQUITY AND LIABILITIES		20,674,959	17,243,244

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE FIRST QUARTER ENDED DECEMBER 31, 2020

	December 31, 2020	December 31, 2019
	-----Rupees in thousand-----	
Sales - Net	2,736,972	2,615,396
Cost of Sales	2,324,838	1,945,798
Gross Profit	412,134	669,598
Distribution Cost	130,443	134,044
Administrative Expenses	177,934	152,574
Other Expenses	18 20,602	17,240
	328,979	303,858
	83,155	365,740
Other Income	17 36,069	12,328
Profit from Operations	119,224	378,068
Finance Cost	130,337	179,343
	(11,113)	198,725
Share of (Loss) / Profit from Associated Companies	(5,802)	1,157
(Loss) / Profit before Taxation	(16,915)	199,882
Taxation		
Group		
- Current	16,009	33,696
- Deferred	2,370	(29,889)
	18,379	3,807
Associated Companies	-	25
	18,379	3,832
(Loss) / Profit after Taxation	(35,294)	196,050
Attributable to:		
- Equity holders of the Parent Company	(60,938)	76,910
- Non-controlling interest	25,644	119,140
	(35,294)	196,050
	----- Rupees -----	
Combined (Loss) / profit per share - basic and diluted	(16.25)	20.51

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONSOLIDATED STATEMENT OF
OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FIRST QUARTER ENDED DECEMBER 31, 2020

	December 31, 2020	December 31, 2019
	-----Rupees in thousand-----	
Profit after Taxation	(35,294)	196,050
Other Comprehensive Income / (Loss)		
Fair value gain / (loss) on available-for-sale investments	-	-
Share of other comprehensive (loss) / income from Associated Companies	3,902	-
Adjustment for gain included in statement of profit or loss upon sale of Available for sale investments	-	-
Total Comprehensive profit	(31,392)	196,050
Attributable to:		
- Equity holders of the Parent Company	(58,989)	76,910
- Non-controlling interest	27,596	119,140
	(31,392)	196,050

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

**CONDENSED INTERIM CONSOLIDATED
CASH FLOW STATEMENT (UNAUDITED)**

FOR THE FIRST QUARTER ENDED DECEMBER 31, 2020

	Quarter ended	
	December 31, 2020	December 31, 2019
	-----Rupees in thousand-----	
Cash flow from operating activities		
profit for the period - before taxation	(16,915)	199,882
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	260,260	219,591
Depreciation on investment property	203	221
Loss from Associated Companies - net	5,802	(1,157)
Interest / profit on bank deposits and saving accounts	(1,996)	(1,180)
Staff retirement benefits - gratuity (net)	-	2,755
Gain on disposal of operating fixed assets	-	(722)
Gain on re-measurement of short term investments to fair value	(544)	(738)
Gain on redemption of long term investment	-	-
Dividend income	-	-
Finance cost	130,337	179,343
Profit before working capital changes	377,147	597,995
Effect on cash flow due to working capital changes (Increase) / decrease in current assets		
Stores and spares	44,330	(57,661)
Stock-in-trade	(2,471,253)	(1,412,514)
Trade debts	(48)	(57,686)
Loans and advances	(335,207)	(876,085)
Trade deposits, short term prepayments and other receivables	(53,312)	(48,760)
Sales tax refundable	1,406	17,713
Advance sales tax	-	-
Increase in current liabilities		
Trade and other payables	909,450	1,074,143
	(1,904,634)	(1,360,850)
Cash (used in) / generated from operations	(1,527,487)	(762,855)
Income tax paid	13,413	(26,161)
Security deposits	(26)	-
Net cash (used in) / generated from operating activities	(1,514,100)	(789,016)
Cash flow from investing activities		
Additions to property, plant and equipment	(374,762)	(162,199)
Sale proceeds of operating fixed assets	15,887	3,301
Interest / profit on bank deposits and saving accounts	1,491	1,032
Proceeds from disposal of long term investment	(2,900)	-
Short term investments - net	(8,729)	2,800
Dividend received	0	-
Net cash used in investing activities	(369,013)	(155,066)
Cash flow from financing activities		
Long term finances - net	94,616	(18,408)
Loans from Associated Companies	(12,500)	32,784
Lease finances - net	114,006	46,068
Short term borrowings - net	2,468,423	1,610,917
Finance cost paid	(244,667)	(340,910)
Dividend paid	(9,269)	(4)
Net cash generated from / (used in) financing activities	2,410,609	1,330,447
Net decrease in cash and cash equivalents	527,496	386,365
Cash and cash equivalents - at beginning of the period	364,707	312,499
Cash and cash equivalents - at end of the period	892,203	698,864

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

**CONDENSED INTERIM CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**

FOR THE FIRST QUARTER ENDED DECEMBER 31, 2020

	----- Attributable to equity holders of the Parent -----							Non-controlling interest	Total equity
	Share capital	Reserves			Unappropriated profit	Total			
		Share redemption	Revaluation surplus on property, plant and equipment	General					
	----- Rupees in thousand -----								
Balance as at September 30, 2019 - audited	37,500	1	2,447,144	1,010,537	-	737,032	4,232,214	3,192,360	7,424,574
Total comprehensive income / (loss) for the period ended December 31, 2019									
Profit after taxation	0	0	0	0	0	76,910	76,910	119,140	196,050
Other comprehensive income / (loss)	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	76,910	76,910	119,140	196,050
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation for the period -net of deferred taxation	0	0	(42,698)	0	0	42,698	-	0	0
Balance as at December 31, 2019 - unaudited	37,500	1	2,404,446	1,010,537	0	856,640	4,309,124	3,311,500	7,620,624
Balance as at September 30, 2020 - audited	37,500	1	2,760,882	1,010,539	-	1,219,546	5,028,468	4,128,754	9,157,222
Total comprehensive income / (loss) for the period ended December 31, 2020									
Loss after taxation	0	0	0	0	0	(60,938)	(60,938)	25,644	(35,294)
Other comprehensive income / (loss)	0	0	(943)	0	0	3,902	2,959	0	2,959
	0	0	(943)	0	0	(57,036)	(57,979)	25,644	(32,335)
Effect of items directly credited in equity by Associated Companies	0	0	0	0	0	(17)	(17)	0	(17)
Transfer from revaluation surplus on property, plant and equipment (net of deferred taxation)						53,323	53,323	36,945	90,268
-net of deferred taxation	0	0	(90,268)	0	0	0	(90,268)	0	(90,268)
Balance as at December 31, 2020	37,500	1	2,669,671	1,010,539	0	1,215,816	4,933,527	4,191,343	9,124,870

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE FIRST QUARTER ENDED DECEMBER 31, 2020

1. The Group and its operations

1.1 The Premier Sugar Mills & Distillery Company Ltd. (the Holding Company)

The Holding Company was incorporated on July 24, 1944 as a Public Company and its shares are quoted on Pakistan Stock Exchange Ltd. The Holding Company is principally engaged in manufacture and sale of white sugar and spirit. The Holding Company's Mills and Registered Office are located at Mardan (Khyber Pakhtunkhwa) whereas the Head Office is situated at King's Arcade, 20-A, Markaz F-7, Islamabad.

1.2 Subsidiary Companies

(a) Chashma Sugar Mills Ltd. (CSM)

CSM was incorporated in Pakistan on May 05, 1988 as a Public Company, under the Companies Ordinance, 1984 (which is repealed upon enactment of the Companies Act, 2017 on May 30, 2017) and commenced its commercial production from July 09, 1988. CSM has its shares quoted on the Pakistan Stock Exchange Ltd. CSM is principally engaged in manufacturing, production, processing, compounding, preparation and sale of sugar, other allied compound, intermediates and by-products. CSM is a Subsidiary of The Premier Sugar Mills & Distillery Company Ltd.. The head office of CSM is situated at King's Arcade, 20-A, Markaz F-7, Islamabad and its manufacturing facilities are located at Dera Ismail Khan, Khyber Pakhtunkhwa.

Whole Foods (Pvt.) Ltd. (100% owned subsidiary of CSM) was incorporated in Pakistan as a Private Limited Company under the Companies Act, 2017 on October 26, 2017. The principal activity of Whole Foods (Pvt.) Ltd. is to set-up, manage, supervise and control the storage facilities for agricultural produce.

The Holding Company directly and indirectly controls / beneficially owns more than fifty percent of CSM's paid-up capital and also has the power to elect and appoint more than fifty percent of its directors; accordingly, CSM has been treated a Subsidiary with effect from the financial year ended September 30, 2010.

(b) The Frontier Sugar Mills and Distillery Ltd. (FSM)

FSM was incorporated on June 30, 1938 as a Public Company and its shares were quoted on all the Stock Exchanges of Pakistan; FSM was delisted from the Stock Exchanges as detailed in note 1.2 (c). The principal activity of FSM is manufacturing and sale of white sugar and its Mills and Registered Office are located at Takht-i-Bhai, Mardan (Khyber Pakhtunkhwa). FSM is a Subsidiary of The Premier Sugar Mills & Distillery Company Ltd.

FSM has been suffering losses over the years and during the current period and prior years had not carried-out manufacturing operations due to non-availability of raw materials. The management, however, anticipates that manufacturing operations will resume in the foreseeable future as necessary steps are being taken to ensure smooth supplies of sugar cane to FSM. The condensed interim financial statements of FSM, therefore, have been prepared on the 'going concern basis'.

(c) Delisting of FSM

The Holding Company, the majority shareholder of FSM, had decided to purchase all the ordinary and preference shares of FSM held by Others. The shareholders of FSM had passed a special resolution for de-listing of FSM from the Stock Exchanges at the annual general meeting held on January 30, 2010. The shareholders also passed a special resolution for purchase of 263,134 ordinary shares at a price of Rs.190.20 per share and

26,970 preference shares at a price of Rs.18.60 per share by the Holding Company in the extra ordinary general meeting held on June 10, 2010.

The purchase agent of the Holding Company (Invest Capital Investment Bank Ltd.) had completed the buying of 36,209 ordinary shares and 150 preference shares within the initial period of 60 days and after the submission of an undertaking to the Stock Exchanges to purchase the remaining shares upto August 26, 2011, FSM was de-listed from all the Stock Exchanges with effect from October 25, 2010. The purchase agent, during the financial year ended September 30, 2011, had further purchased 19,884 ordinary shares and 20,014 preference shares.

2. Basis of preparation

These consolidated 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. Accounting policies

The accounting policies and methods of computation adopted for the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of preceding consolidated annual financial statements of the Group for the year ended September 30, 2020.

These un-audited consolidated condensed interim financial statements do not include all the information and disclosures as required in the annual consolidated financial statements and should be read in conjunction with the Group's consolidated financial statements for the year ended September 30, 2020.

4. Accounting estimates, judgments and financial risk management

- 4.1 The preparation of consolidated condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 4.2 Judgments and estimates made by the management in the preparation of these consolidated condensed interim financial statements are the same as those that were applied to consolidated financial statements as at and for the year ended September 30, 2020.
- 4.3 The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended September 30, 2020.
- 4.4 The Holding Company and FSM follow the practice of conducting actuarial valuation annually at the year-end. Hence, the impact of remeasurement of staff retirement benefits - gratuity has not been incorporated in the books of account of the Holding Company and FSM.

5. Principles of consolidation

These consolidated condensed interim financial statements include the condensed interim financial statements of the Holding Company, consolidated condensed interim financial statements of CSM & its Subsidiary Company and the condensed interim financial statements of FSM as at and for the period ended December 31, 2020. The Holding Company's direct interest, as at December 31, 2020, in CSM was 47.93% (2019: 47.93%) and in FSM was 82.49% (2019: 82.49%).

Investments in Associated Companies, as defined in the Companies Act, 2017, are accounted for by the equity method.

Non-controlling interest is calculated on the basis of their proportionate share in the net assets of the Subsidiary Companies.

Subsidiary is fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

All significant inter-company transactions, balances, income and expenses on transactions between Group Companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated.

6. Property, plant and equipment

	Un-audited Dec 31, 2020	Audited September 30, 2020
Note	(Rupees in thousand)	
Operating fixed assets - tangible	6.1 11,368,774	11,114,958
Capital work-in-progress	6.2 657,948	820,738
	12,026,722	11,935,696

6.1 Operating fixed assets - tangible

Book value at beginning of the period - audited 11,114,958

Additions during the period:

- Building and roads	185,363
- plant and machinery	337,859
- Office equipment and furniture	3,799
- vehicles:	
owned	2,312
leased	0
	529,333

Add: Transfers from right of use assets to owned 630

Book value of operating fixed assets disposed-off during the period (15,887)

Depreciation charge for the period (260,260)

Book value at end of the period - un-audited 11,368,774

6.2 Capital work-in-progress

At beginning of the period / year 820,738 522,459

Add: Additions during the period / year 354,539 968,119

Other adjustment 5,892 (54,328)

Less: Capitalised during the period / year (523,221) (615,512)

Balance at end of the period / year 657,948 820,738

7. Stores and spares

FSM has not carried-out manufacturing operations during the current period and prior years and in the absence of an exercise to identify obsolete / damaged stores and spares inventory, carrying values of the period-end stores and spares inventory have not been adjusted for any potential impairment loss.

7.1 Stores and spares include items which may result in fixed capital expenditure but are not distinguishable.

8. Stock-in-trade

	Un-audited Dec 31, 2020	Audited September 30, 2020
	(Rupees in thousand)	
Work-in-process	110,682	19,456
Finished goods:		
- sugar	2,721,141	357,752
- molasses	845,410	701,352
- ethanol	223,779	351,199
	3,790,330	1,410,303
	3,901,012	1,429,759

9. Trade deposits, short term prepayments and other receivables

Sugar export subsidy receivable	305,519	308,510
Prepayments	57,724	5,790
Excise duty deposits	240	136
Gas infrastructure development cess paid under protest - refundable	0	3,018
Lease rentals receivable from an Associated Company (Premier Board Mills Ltd.)	0	3,413
Guarantees issued	19,000	19,000
Trade deposits	1,597	2,480
Letters of credit	0	0
Other receivables	14,064	2,485
	398,144	344,832

10. Short term investments - At fair value through profit or loss

First Habib Cash Fund

Opening balance - 127,050 Units (2019: 284785 Units)	31,097	28,837
Investments made during the period / year -Nil (2019:Nil)	11,000	10,900
Gain on redemption and re-measurement to fair value	473	2,360
Units redeemed during the period / year - 24,162 Units (2019: 27,698 Units)	(2,200)	(11,000)
Closing balance - 267,144 Units (2019: 267,144 Units)	40,370	31,097

11. Cash and bank balances

11.1 Period-end bank balances include deposits aggregating Rs.20 million (September 30, 2019: Rs.5 million), which are under lien of a bank against guarantees issued by it in favour of Sui Northern Gas Pipelines Ltd. on behalf of the Holding Company.

11.2 (a) These represent deposits lying with Innovative Investment Bank Limited (IIBL), Islamabad carrying profit at the rate of 5% per annum. The maturity dates of these deposits were as follows:

Date of maturity	Amount of deposit Rupees in thousand
July 29, 2009	15,600
July 29, 2010	15,600
July 29, 2011	15,600
July 29, 2012	<u>31,200</u>
	78,000
Less amounts realised during the :-	
- Current period	<u>(24,000)</u>
- financial year ended September 30, 2020	<u>(22,000)</u>
- financial year ended September 30, 2018	<u>(20,000)</u>
	<u>12,000</u>

(b) These deposits could not be encashed on their respective maturity dates; further, year-end balance confirmation certificates from IIBL was also not received. The Securities and Exchange Commission of Pakistan (SECP), in exercise of its powers conferred under sections 282 E & F of the repealed Companies Ordinance, 1984, had superseded the entire Board of Directors of IIBL and appointed an Administrator with effect from January 28, 2010. SECP had also instituted winding-up proceedings against IIBL before the Lahore High Court, Lahore (LHC). SECP had sought liquidation on a number of counts including violation of the Scheme of Amalgamation approved by SECP under which IIBL took over all the rights / liabilities of Crescent Standard Investment Bank Ltd.

(c) The SECP winding-up petition was decided by the LHC and LHC appointed Joint Official Liquidator (JOL). The LHC, vide its order dated April 14, 2018 had approved release of payment upto Rs.20 million in respect of principal amounts only subject to verification as per the laws. These amounts of Rs.20 million, as per the LHC order, were received by the Group during August, 2018. The Group, during July, 2020, has received second tranche of Rs.22 million vide the LHC's order dated March 12, 2020. The Group, during October, 2020, has received notice of dividends regarding payment of third tranche of Rs.24 million from JOL as per the LHC's order dated October 01, 2020. The management, for the release of further amounts, anticipates that JOL will intimate in due course of time; no provision, therefore, for the remaining deposits has been made in the books of account of the Holding Company and FSM.

(d) The Group has not accrued profit on these deposits during the current period and preceding financial years.

12. Long term finances - secured

	Un-audited Dec 31, 2020	Audited September 30, 2020
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Loan from banking companies

The Holding Company

Note	(Rupees in thousand)	
Bank Al-Habib Ltd.	13.1	46,709
Bank Al-Habib Ltd.	12.1	390,347
Soneri Bank Ltd.	12.1	1,132,563
The Bank of Punjab	12.1	4,508
Dubai Islamic Bank Pakistan Ltd.	12.1	389,972
MCB Bank Ltd.	12.1	234,914
		<u>2,199,013</u>

Less: amount payable within next 12 months

The Holding Company

-principal

521,119

15,208

Less: current portion grouped
under current liabilities:

24,911

500,640

deferred benefit of below market
rate of interest on refinance facility

27,156

25,955

Amount due after December 31, 2020

12.2 1,625,827

1,537,579

12.1 These represent term and demand finances obtained by CSM from the aforesaid banks and are repayable in 3-5 years with varied grace period. The rate of mark-up ranges from KIBOR + 1% per annum to KIBOR + 2% per annum and are secured against first / joint pari passu hypothecation charge over all present and future movable fixed assets of CSM and first / joint pari passu charge by way of equitable mortgage on all present and future immovable fixed assets of CSM, pledge of sugar stocks and lien on export contracts / LCs.

12.2 In case of various loan arrangements, the concerned lenders have waived the requirements of certain covenants of the respective loan agreements. Accordingly, the liabilities under these loan agreements have been classified as per the repayment schedule applicable in respect of the aforesaid loan agreements.

13. Loans from related parties - secured

Premier Board Mills Ltd.	13.1	90,575	90,575
Arpak International Investments Ltd.	13.2	43,750	43,750
Azlak Enterprises (Private) Ltd.	13.3	85,000	85,000
		<u>219,325</u>	219,325
Less: current portion grouped under current liabilities		<u>12,500</u>	0
		<u>206,825</u>	<u>219,325</u>

13.1 This include long term finance facilities obtained by the Subsidiary (CSM) and the Sub-Subsidiary (WFL).

The long term finance facility obtained by CSM had been renewed on November 4, 2019. The principal is repayable in 7 semi annual installments commencing from November 2022. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from CSM.

Long term finance facility amounting to Rs 25 million was obtained during the year by the WFL. The principal is repayable in 8 semi annual installments commencing from December 2022. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the WFL.

13.2 The long term finance facility has been renewed on November 04, 2019. The principal is repayable in 7 semi annual installments commencing from November 2022. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from CSM.

13.3 The long term finance facility was obtained in 2019. The principal is repayable in 8 semi annual installments commencing from December 2021. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the CSM.

14. Trade and other payables	Note	Un-audited	Audited
		Dec 31, 2020 (Rupees in thousand)	September 30, 2020
Creditors		1,250,420	509,183
Due to Associated Companies	14.1	122,563	88,431
Accrued expenses		131,208	135,939
Retention money		16,670	15,334
Security deposits - interest free repayable on demand		1,540	2,666
Advance payments from customers		93,436	82,867
Income tax deducted at source		33,841	33,273
Sales tax payable		120,494	16,423
Gratuity payable to ex-employees		5,543	5,543
Advance received against sale of scrap		5	2,024
Payable for workers' welfare obligations		117,155	109,126
Payable to provident fund		4,084	4,154
Payable to employees		56,749	52,314
Others		20,492	7,473
		1,974,200	1,064,750
14.1 This represents amounts due to:			
- Aziak Enterprises (Pvt.) Ltd.		35,469	32,622
- Syntronics Ltd.		4,603	55,809
- Syntron Limited		38,296	0
- Chashma Sugar mills Limited		44,195	0
		122,563	88,431
15. Current portion of non-current liabilities			
Long term finances		581,641	515,848
Lease liabilities		102,467	95,809
Loans from related parties		44,341	1,921
		728,449	613,578

16. Contingencies and commitments

There has been no significant change in the status of contingencies as disclosed in note 30 to the audited consolidated financial statements of the Company for the year ended September 30, 2020.

16.1 Commitments - CSM

	Un-audited Dec 31, 2020 (Rupees in thousand)	Audited September 30, 2020
Commitments in respect of :		
- foreign letters of credit for purchase of plant & machinery	122,074	5,527
- local letters of credit for purchase of plant & machinery	44,780	229,510
- capital expenditure other than for letters of credit	4,572	12,042

17. Other income

	Note	Un-audited Half year ended Dec 31, 2020 (Rupees in thousand)	Dec 31, 2019
Income from financial assets:			
Profit on bank deposits and saving accounts		1,996	1,180
Gain on redemption and remeasurement of short term investments to fair value	10	544	738
Income from other than financial assets:			
Rental income		1,738	1,709
Sale of scrap		11,426	0
Sale of press mud - net		1,511	1,729
Gain on sale of operating fixed assets		0	722
Sale of seeds and agricultural produce		4,764	5,252
Sale of fusel oil - net		1,118	998
Miscellaneous		12,972	0
		36,069	12,328

18. Other expenses

Workers' (profit) participation fund	5,339	17,121
Donations (without Directors' interest)	16	119
Others	15,247	0
	20,602	17,240

19. Segment operating results for the three month period ended December 31, 2020 (Un-audited)

	Sugar Division		Ethanol Division		Total	
	Three month period ended		Three month period ended		Three month period ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
----- Rupees in thousand -----						
Sales						
-External Customers	1,197,554	1,813,868	1,486,166	888,291	2,683,720	2,702,160
-Intersegment	304,017	267,200			304,017	267,200
	1,501,571	2,081,069	1,486,166	888,291	2,987,737	2,969,360
Less : sales tax and others	(212,890)	(323,779)	(37,875)	(30,185)	(250,765)	(353,964)
Sales - net	1,288,681	1,757,290	1,448,291	858,106	2,736,972	2,615,396
Segment expenses:						
Cost of sales						
Cost of Sales	(1,249,108)	(1,339,007)	(771,713)	(339,591)	(2,020,821)	(1,678,598)
less: Intersegment cost	0	0	(304,017)	(267,200)	(304,017)	(267,200)
	(1,249,108)	(1,339,007)	(1,075,730)	(606,791)	(2,324,838)	(1,945,798)
Gross (loss) / profit	39,573	418,283	372,561	251,315	412,134	669,598
Selling and distribution expenses	(6,353)	(7,135)	(124,090)	(126,909)	(130,443)	(134,044)
Administrative and general expenses	(144,969)	(122,057)	(32,965)	(30,517)	(177,934)	(152,574)
	(151,322)	(129,192)	(157,055)	(157,426)	(308,377)	(286,618)
(Loss) / profit from operations	(111,749)	289,091	215,506	93,889	103,757	382,980
Other income	21,278	12,457	14,791	1,028	36,069	13,485
Other expenses	(11,372)	(17,240)	(15,032)	0	(26,404)	(17,240)
	9,906	(4,783)	(241)	1,028	9,665	(3,755)
Segment results	(101,843)	284,309	215,265	94,916	113,422	379,225
Finance cost					(130,337)	(179,343)
Profit before tax					(16,915)	199,882
Taxation					(18,379)	(3,832)
Profit for the period					(35,294)	196,050

19.1 Segment assets and liabilities

	Un-audited		Audited	
	December 31, 2020		September 30, 2020	
	(Rupees in thousand)		(Rupees in thousand)	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
Sugar	14,301,415	6,142,601	11,143,930	2,861,544
Ethanol	6,373,544	3,520,284	5,855,320	3,254,268
Total for reportable segment	20,674,959	9,662,885	16,999,250	6,115,812
Others	0	1,887,204	243,994	1,979,631
Entity's total assets / liabilities	20,674,959	11,550,089	17,243,244	8,095,443

20. Transactions with related parties

20.1 The Group has related party relationship with its Associated Companies, employee benefit plans, its directors and key management personnel. Transactions with related parties are carried-out on arm's length basis. There were no transactions with key management personnel other than under the terms of employment. Aggregate transactions with Associated Companies during the period were as follows:

Un-audited
Three month period ended
Dec 31, 2020
Dec 31, 2019
(Rupees in thousand)

Syntron Limited

Purchase of store items **38,296** 38,841

Azlake Enterprises (Private) Limited

Service **7,635** 7,254

Expenses paid on behalf of the Company **554** 449

Mark-up charged **1,857** 3,197

Phipson & Company Pakistan (Private) Limited

Expenses paid on behalf of the Company **0** 138

Arpak International Investments Limited

Mark-up charged **956** 1,645

Premier Board Mills Limited

Rent received **1,735** 1,678

Mark-up charged **1,977** 2,619

20.2. Following are the related parties with whom CSM had entered into transactions or have arrangement / agreement in place.

Company Name	Basis of	Share-holding %
Premier Board Mills Ltd.	Common directorship	0.00%
Azlake Enterprises (Pvt.) Ltd.	----- do -----	5.10%
Arpak International Investments Ltd.	----- do -----	0.00%
Phipson & Company Pakistan (Pvt.) Ltd.	----- do -----	1.07%
Syntronics Ltd.	----- do -----	12.51%
Syntron Ltd.	----- do -----	0.00%

21. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Aggregate amounts of remuneration, including certain benefits, to chief executive, directors and executives of the Group for the three months period ended are as follows:

Particulars	Chief Executive		Directors		Executives	
	31-Dec 2020	31-Dec 2019	31-Dec 2020	31-Dec 2019	31-Dec 2020	31-Dec 2019

----- Rupees in thousand -----

Managerial remuneration including bonus	300	300	9,750	11,059	13,090	9,240
Allowances and utilities	0	0	-	0	5,984	4,642
Contribution to provident fund	0	0	-	113	889	602
Medical expenses reimbursed	0	0	3,671	386	155	17
Other expenses	0	0	1,568	-	0	0
	300	300	14,989	11,558	20,118	14,501

Number of persons **1** **1** **3** **3** **17** **17**

22. Corresponding figures

In order to comply with the requirements of IAS 34 'Interim financial reporting', the consolidated condensed interim statement of financial position has been compared with the balances of annual audited consolidated financial statements of the preceding financial year, whereas, consolidated condensed interim statement of profit or loss, consolidated condensed interim statement of other comprehensive income, consolidated condensed interim statement of cash flows and consolidated condensed interim statement of changes in equity have been compared with the balances of comparable period of the immediately preceding financial year.

23. Date of authorisation for issue

These consolidated condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Holding Company on February 26, 2021.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER