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**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED,
MARDAN**



**THE PREMIER SUGAR MILLS
& DISTILLERY COMPANY LIMITED**

**CONDENSED INTERIM
UNCONSOLIDATED FINANCIAL INFORMATION
FOR THE NINE MONTHS PERIOD
ENDED JUNE 30, 2021
(UN-AUDITED)**

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

COMPANY INFORMATION

Board of Directors

| | |
|-------------------------|----------------------------|
| Mr. Aziz Sarfaraz Khan | Chairman |
| Mr. Abbas Sarfaraz Khan | Chief Executive / Director |
| Begum Laila Sarfaraz | Director |
| Ms. Zarmine Sarfaraz | Director |
| Mr. Iskander M. Khan | Director |
| Mr. Shahbaz Haider Agha | Independent Director |
| Mr. Salman Ahmad | 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.) Ltd.
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 | Soneri Bank Limited |
| Habib Bank Limited | National Bank of Pakistan |

Registered Office

Nowshera Road, Mardan, KPK
Phone: 0937-862051-52 Fax: 0937-862989

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

DIRECTORS' REVIEW REPORT

The Directors are pleased to present the un-audited condensed interim financial information of the Company for the nine months' period that ended on June 30, 2021. This condensed interim financial information is presented to the shareholders of the Company in compliance with the International Accounting Standard No. 34 "Interim Financial Reporting", the Code of Corporate Governance, under Section 237 of the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019.

OPERATIONAL PERFORMANCE

The sugarcane crushing season 2020-21 commenced on November 05, 2020 and continued till December 08, 2021. The mills crushed 22,590 tons (2020: 36,528 tons) of sugarcane to produce 1,817.50 tons (2020: 3,149 tons) of sugar having an average recovery of 8.32% (2020: 8.77%).

FINANCIAL PERFORMANCE

Because of non-supply of sugarcane, the Company suffered loss after taxation of Rs. 144.420 million (2020: Loss after taxation Rs. 22.401 million) during the nine months' period that ended on June 30, 2021.

DISTILLERY

The Ethanol Fuel Plant produced 634.38 MT of Ethanol during the nine months' period that ended on June 30, 2021.

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 spirit of good work done by the Company's staff at all levels.

ON BEHALF OF THE BOARD



Islamabad:
July 28, 2021

(AZIZ SARFARAZ KHAN)
CHAIRMAN / DIRECTOR



(ISKANDER M. KHAN)
DIRECTOR

دی پرنسپل شوگر ملز اینڈ ڈسٹری بیوٹرز کمپنی لمیٹڈ

ڈائریکٹرز کی جائزہ رپورٹ

ڈائریکٹرز 30 جون 2021 کو ختم ہونے والے نو مہینوں کی اختتامی مدت پر غیر آڈٹ شدہ کنڈسڈ انڈسٹری کمپنی مالٹیائی معلومات پیش کرنے پر مسرت محسوس کرتے ہیں۔ یہ کنڈسڈ مالٹیائی معلومات حصص داروں کو انٹرنیشنل اکاؤنٹنگ کے قواعد نمبر 134 انڈسٹری فنانشل رپورٹنگ کمپنی ایکٹ 2017 (دی ایکٹ) کے سیکشن 237 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشن 2019 کے مطابق ہیں۔

آپریٹنگ کارکردگی

گئے کارکننگ سیزن 21-2021 کا آغاز 05 نومبر 2020 کو شروع ہوا اور 08 دسمبر 2020 تک جاری رہا۔ ملز نے 22,590 ٹن (2020 میں 36,528 ٹن) گنا کرش کیا اور 8.32% اوسط (2020 میں 8.77%) کے حساب سے چینی کی پیداوار 1,817.50 ٹن (2020 میں 3,149 ٹن) رہی۔

مالیائی کارکردگی

گئے کی سیلابی ماہوں کی وجہ سے 30 جون 2021 کو ختم ہونے والے نو ماہ کے اختتام تک کمپنی کا ٹیکس کی ادائیگی کے بعد کا نقصان 144.420 ملین روپے رہا (2020 میں 20.401 ملین روپے تھا)۔

ڈسٹری

ہتھنول فیول پلانٹ نے 30 جون 2021 کو اختتام ہونے والے نو ماہ کے دوران MT634.38 ہتھنول کی پیداوار کی۔

اکاؤنٹنگ کی پالیسیاں

کمپنی کی نو ماہ کی کنڈسڈ انڈسٹری مالٹیائی معلومات کی تیاری کے دوران اپنا ہی گنی اکاؤنٹنگ پالیسیاں وہی ہیں جو پچھلے سال سالانہ مالیاتی حسابات میں اپنا ہی گنی تھیں۔

اعتراف

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

منجانب بورڈ



اسلام آباد

بتاریخ: 28 جولائی 2021

اسکندر محمد خان

ڈائریکٹر



عزیز سر فراز خان

چیف ایگزیکٹو/ڈائریکٹر

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM
STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2021

| | | Un-audited June 30, 2021 | Audited Sep. 30, 2020 |
|---------------------------------------------------------------|------|--------------------------------|-----------------------------|
| | Note | (Rupees in thousand) | |
| Assets | | | |
| Non-current Assets | | | |
| Property, plant and equipment | 5 | 1,312,409 | 1,403,441 |
| Investment property | | 25,158 | 25,766 |
| Long term investments | 6 | 170,006 | 170,006 |
| Security deposits | | 1,263 | 1,263 |
| | | <u>1,508,836</u> | <u>1,600,476</u> |
| Current Assets | | | |
| Stores and spares | | 113,180 | 106,626 |
| Stock-in-trade | 7 | 234,792 | 187,760 |
| Trade debts, unsecured-considered good | | 85,346 | 16,883 |
| Advances | 8 | 22,097 | 4,451 |
| Trade deposits and short term prepayments | 9 | 4,985 | 1,178 |
| Accrued profit on bank deposits | | 442 | 1,296 |
| Other receivables | 10 | 15,299 | 11,325 |
| Sales tax refundable | | 589 | 0 |
| Income tax refundable, advance tax and tax deducted at source | | 37,991 | 23,668 |
| Current portion of long term loan to Subsidiary Company | 11 | 0 | 24,238 |
| Bank balances | 12 | 38,706 | 52,563 |
| | | <u>553,427</u> | <u>429,988</u> |
| Total Assets | | <u>2,062,263</u> | <u>2,030,464</u> |
| Equity and Liabilities | | | |
| Share Capital and Reserves | | | |
| Authorised capital | | 57,500 | 57,500 |
| Issued, subscribed and paid-up capital | | 37,500 | 37,500 |
| Capital reserves | | | |
| - share redemption | 1 | 1 | 1 |
| - revaluation surplus on property, plant and equipment | | 808,298 | 857,176 |
| General revenue reserve | | 900,000 | 900,000 |
| Accumulated loss | | (565,778) | (470,236) |
| Shareholders' Equity | | <u>1,180,021</u> | <u>1,324,441</u> |
| Non-current Liabilities | | | |
| Long term finances | 13 | 11,072 | 22,404 |
| Lease liabilities | | 1,351 | 2,114 |
| Government grant | | 284 | 1,189 |
| Staff retirement benefits - gratuity | | 16,645 | 18,479 |
| Deferred taxation | | 117,307 | 148,753 |
| | | <u>146,659</u> | <u>192,939</u> |
| Current Liabilities | | | |
| Trade and other payables | 14 | 447,117 | 166,763 |
| Unclaimed dividends | | 7,470 | 7,484 |
| Accrued mark-up | | 1,347 | 6,237 |
| Short term borrowings | | 214,000 | 290,000 |
| Current portion of non-current liabilities | 15 | 27,228 | 18,876 |
| Taxation | | 38,421 | 23,724 |
| | | <u>735,583</u> | <u>513,084</u> |
| Total Liabilities | | <u>882,242</u> | <u>706,023</u> |
| Contingencies and Commitments | 16 | | |
| Total Equity and Liabilities | | <u>2,062,263</u> | <u>2,030,464</u> |

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

Director

Director

Chief Financial Officer

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED JUNE 30, 2021

| | Note | For the Quarter | | Nine Months Ended | |
|----------------------------------------|------|-----------------|----------------|-------------------|-----------------|
| | | June 2021 | June 2020 | June 2021 | June 2020 |
| ----- Rupees in thousand ----- | | | | | |
| Sales | 17 | 151,501 | 80,597 | 420,084 | 393,135 |
| Less : sales tax | | (11,374) | (11,803) | (35,530) | (41,825) |
| Sales - net | | <u>140,127</u> | 68,794 | <u>384,554</u> | 351,310 |
| Cost of sales | | (194,795) | (44,346) | (568,209) | (358,332) |
| Gross (loss) / profit | | <u>(54,668)</u> | 24,448 | <u>(183,655)</u> | (7,022) |
| Distribution cost | | (451) | (275) | (8,431) | (2,018) |
| Administrative expenses | | (9,420) | (12,325) | (43,085) | (40,968) |
| Other income | 18 | 7,527 | 12,670 | 105,963 | 112,758 |
| Other expenses | 19 | (10,209) | 0 | (10,424) | (952) |
| (Loss) / profit from operations | | <u>(67,221)</u> | 24,518 | <u>(139,632)</u> | 61,798 |
| Finance cost | | (5,883) | (27,089) | (21,537) | (82,922) |
| Loss before taxation | | <u>(73,104)</u> | (2,571) | <u>(161,169)</u> | (21,124) |
| Taxation | 20 | 14,060 | 441 | 16,749 | (1,277) |
| Loss after taxation | | <u>(59,044)</u> | (2,130) | <u>(144,420)</u> | (22,401) |
| Other comprehensive income | | 0 | 0 | 0 | 0 |
| Total comprehensive loss | | <u>(59,044)</u> | <u>(2,130)</u> | <u>(144,420)</u> | <u>(22,401)</u> |
| ----- Rupees ----- | | | | | |
| Loss per share | | <u>(15.75)</u> | <u>(0.57)</u> | <u>(38.51)</u> | <u>(5.97)</u> |

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

Director

Director

Chief Financial Officer

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM
STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2021

| | Nine Months Ended | |
|---------------------------------------------------------------------------|----------------------|------------------|
| | June 30, 2021 | June 30, 2020 |
| | (Rupees in thousand) | |
| Cash flows from operating activities | | |
| Loss for the period - before taxation | (161,169) | (21,124) |
| Adjustments for non-cash charges and other items: | | |
| Depreciation on property, plant and equipment | 97,393 | 64,091 |
| Depreciation on investment property | 608 | 662 |
| Uncollectible receivable balances written-off | 38 | 30 |
| Unclaimed payable balances written-back | (83) | (552) |
| Mark-up on loan to Subsidiary Company and profit on bank deposits | (1,883) | (20,177) |
| Gain on sale of vehicles | 0 | (173) |
| Staff retirement benefits - gratuity (net) | (1,834) | 2,133 |
| Dividends from Subsidiary Company and Associated Company | (68,755) | (68,984) |
| Finance cost | 21,537 | 82,922 |
| (Loss) / profit before working capital changes | (114,148) | 38,828 |
| Effect on cash flows due to working capital changes | | |
| Decrease / (increase) in current assets: | | |
| Stores and spares | (6,554) | 3,403 |
| Stock-in-trade | (47,032) | (218,846) |
| Trade debts | (68,463) | (1,265) |
| Advances | (17,684) | 1,798 |
| Trade deposits and short term prepayments | (3,807) | (997) |
| Other receivables | (3,974) | 885 |
| Sales tax refundable | (589) | (25,652) |
| Increase / (decrease) in trade and other payables | 280,437 | 65,366 |
| | 132,334 | (175,308) |
| Net Cash generated from / (used in) operations | 18,186 | (136,480) |
| Income tax paid | (14,322) | (16,390) |
| Net cash generated from / (used in) operating activities | 3,864 | (152,870) |
| Cash flows from investing activities | | |
| Additions to property, plant and equipment | (6,362) | (11,426) |
| Sale proceeds of vehicles | 0 | 862 |
| Dividends received | 68,755 | 68,984 |
| Mark-up / profit received on loan to Subsidiary Company and bank deposits | 2,737 | 19,219 |
| Net cash generated from investing activities | 65,130 | 77,639 |
| Cash flows from financing activities | | |
| Long term finances repaid | (2,991) | 0 |
| Decrease in long term loan to a Subsidiary Company | 24,238 | 34,848 |
| Lease finances - net | (1,657) | 250 |
| Short term borrowings - net | (76,000) | 134,000 |
| Dividends paid | (14) | (124) |
| Finance cost paid | (26,427) | (88,051) |
| Net cash (used in) / generated from financing activities | (82,851) | 80,923 |
| Net (decrease) / increase in cash and cash equivalents | (13,857) | 5,692 |
| Cash and cash equivalents - at beginning of the period | 52,563 | 53,274 |
| Cash and cash equivalents - at end of the period | 38,706 | 58,966 |

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

Director

Director

Chief Financial Officer

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2021

| | Share capital | Reserves | | | Revaluation surplus on Property, plant and equipment | Accumulated loss | Total |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----------|---------|-----------|------------------------------------------------------|------------------|-----------|
| | | Capital | Revenue | Sub-total | | | |
| | Share redemption | General | | | | | |
| ----- Rupees in thousand ----- | | | | | | | |
| Balance as at September 30, 2019 | 37,500 | 1 | 900,000 | 900,001 | 519,562 | (463,599) | 993,464 |
| Total comprehensive income / (loss) for the period | | | | | | | |
| Loss after taxation for the nine months ended June 30, 2020 | 0 | 0 | 0 | 0 | 0 | (22,401) | (22,401) |
| Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the period -net of deferred taxation | 0 | 0 | 0 | 0 | (31,376) | 31,376 | 0 |
| Balance as at June 30, 2020 | 37,500 | 1 | 900,000 | 900,001 | 488,186 | (454,624) | 971,063 |
| Total comprehensive income / (loss) for the period | | | | | | | |
| Loss after taxation for the three months ended Sep 30, 2020 | 0 | 0 | 0 | 0 | 0 | (26,348) | (26,348) |
| Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the period -net of deferred taxation | 0 | 0 | 0 | 0 | (10,300) | 10,300 | 0 |
| Other comprehensive income | 0 | 0 | 0 | 0 | 379,290 | 436 | 379,726 |
| Balance as at September 30, 2020 | 37,500 | 1 | 900,000 | 900,001 | 857,176 | (470,236) | 1,324,441 |
| Total comprehensive loss for the period | | | | | | | |
| Loss after taxation for the nine months ended June 30, 2021 | 0 | 0 | 0 | 0 | 0 | (144,420) | (144,420) |
| Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the period -net of deferred taxation | 0 | 0 | 0 | 0 | (48,878) | 48,878 | 0 |
| Balance as at June 30, 2021 | 37,500 | 1 | 900,000 | 900,001 | 808,298 | (565,778) | 1,180,021 |

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

Director

Director

Chief Financial Officer

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL
INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2021

1. Legal status and nature of business

The Premier Sugar Mills & Distillery Company Limited (the Company) was incorporated on July 24, 1944 as a Public Company. The Company's shares are quoted on Pakistan Stock Exchange Ltd. 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 - KPK) whereas the Head Office is situated at King's Arcade, 20-A, Markaz F-7, Islamabad. The Company has shifted its distillery from Mardan to Ramak Dera Ismail Khan.

2. Basis of preparation

2.1 Statement of Compliance

These unconsolidated 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 IFRS standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the annual audited financial statements of the Company as at and for the year ended September 30, 2020.

2.3 The comparative unconsolidated condensed interim statement of financial position presented in these interim financial statements has been extracted from the audited financial statements of the Company for the year ended September 30, 2020, whereas the unconsolidated condensed comparative interim statement of profit or loss & other comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows have been extracted from the un-audited condensed interim financial statements for the period ended June 30, 2020.

2.4 These interim financial statements are un-audited and are being submitted to the shareholders as required by the listing regulations of Pakistan Stock Exchange Ltd. vide section 237 of the Companies Act, 2017.

2.5 Basis of measurement

These interim financial statements have been prepared under the historical cost convention except for the Company's liability under defined benefit plan (gratuity), which is determined on the present value of defined benefit obligations determined by an independent actuary, liabilities against assets subject to finance lease at present value of minimum lease payments and property, plant and equipment at revalued amounts assessed by an independent valuer.

2.6 Functional and presentation currency

These condensed interim financial statements are presented in Pak Rupees, which is also the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise stated.

3. Significant accounting policies

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of audited annual financial statements of the Company as at ended September 30, 2020.

3.1 Changes in accounting standards, interpretations and pronouncements

a) Standards and amendments to approved accounting and reporting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards, which are mandatory for the Company's annual accounting period commenced on October 01, 2020. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim financial statements.

b) Standards and amendments to approved accounting and reporting standards that are not yet effective

There are certain amendments and interpretations to the accounting and reporting standards, that will be mandatory for the Company's annual accounting periods commencing on or after January 01, 2021. However, these will not have any material impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim financial statements.

4. Accounting estimates, judgments and financial risk management

4.1 The preparation of condensed interim financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

4.2 The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the annual audited financial statements of the Company as at and for the year ended September 30, 2020.

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

4.4 The Company follows 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 these condensed interim financial statements.

| | |
|-------------------------------------------------|--------------------------------------------------------------|
| 5. Property, plant and equipment | Un-audited June 30, 2021 (Rupees in thousand) |
| Book value at beginning of the period - audited | 1,403,441 |
| Additions during the period | |
| - plant and machinery | 2,561 |
| - electric appliances | 3,800 |
| Depreciation charge for the period | (97,393) |
| Book value at end of the period - un-audited | <u>1,312,409</u> |

6. 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) at period-end were Rs.976.321 million (September 30, 2020: Rs.1,267.980 million) and Rs.16.210 million (September 30, 2020: Rs.27.933 million) respectively.

| | | |
|--------------------------|-------------------------------------------------------------------|----------------------------------|
| 7. Stock-in-trade | Un-audited Note June 30, 2021 (Rupees in thousand) | Audited Sep. 30, 2020 |
| Sugar-in-process | 10,797 | 7,832 |
| Finished goods: | | |
| - sugar | 10.1 <u>7,131</u> | 78,876 |
| - Ethnol | <u>16,637</u> | 101,052 |
| - molasses | <u>200,227</u> | 0 |
| | <u>223,995</u> | 179,928 |
| | <u>234,792</u> | <u>187,760</u> |

7.1 Sugar-in-process and finished goods as at June 30, 2021 has been stated at net realisable value; the amount charged to statement of profit or loss in respect of this write-down to net realisable value worked-out to Rs.9.137 million (September 30, 2020: Rs.40.783 million).

8. Advances - Considered good

| | | |
|---------------------------|---------------|--------------|
| Suppliers and contractors | 18,294 | 2,376 |
| Employees | 3,803 | 2,075 |
| | <u>22,097</u> | <u>4,451</u> |

9. Trade deposits and short term prepayments

| | | |
|-----------------------------------|-------------------------------|--------------|
| Excise duty deposit | 136 | 136 |
| Short term prepayments | 1,987 | 1,042 |
| Deposits against decretal amounts | 9.1 <u>2,862</u> ⁰ | 0 |
| | <u>4,985</u> | <u>1,178</u> |

9.1 These have been deposited with the Commissioner for Workers' Compensation and Authority under the Payment of Wages Act, 2013 for Mardan.

| | | |
|--------------------------------------------------------------------------------|-------------------------------------------------------------------|----------------------------------|
| 10. Other receivables | Un-audited Note June 30, 2021 (Rupees in thousand) | Audited Sep. 30, 2020 |
| Sugar export subsidy | 2,991 | 2,991 |
| Gas infrastructure development cess paid under protest - refundable | 3,018 | 3,018 |
| Lease rentals receivable from Premier Board Mills Ltd. (an Associated Company) | 1,912 | 3,413 |
| Others | 7,378 | 1,903 |
| | <u>15,299</u> | <u>11,325</u> |

11. Current portion of long term loan to Subsidiary Company

The opening receivable balance due from the Subsidiary Company has been fully received during the current period.

12. Bank balances

Cash at banks on:

| | | |
|-----------------------------------------------------------|--------------------|---------------|
| - PLS accounts | 2,095 | 6,147 |
| - current accounts | 17,611 | 8,399 |
| - deposit accounts | 12.1 <u>18,000</u> | 25,017 |
| - deposits with a non-banking finance company - unsecured | <u>6,000</u> | 18,000 |
| | <u>43,706</u> | 57,563 |
| Less: provision for doubtful bank balance | <u>5,000</u> | 5,000 |
| | <u>38,706</u> | <u>52,563</u> |

12.1 These include deposits amounting Rs.13 million (September 30, 2020: Rs.20 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 Company.

12.2 The Securities and Exchange Commission of Pakistan (SECP) winding-up petition filed against Innovative Investment Bank Limited was decided by the Lahore High Court, Lahore (LHC) and LHC appointed Joint Official Liquidators (JOLs). The LHC, vide its order dated April 14, 2018 had 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.10 million, as per the LHC order, was received by the Company during August, 2018. The Company, during July, 2020, has received second tranche of Rs.11 million vide the LHC's order dated March 12, 2020. The Company, during October, 2020, has received notice of dividend regarding payment of third tranche of Rs.12 million from JOLs as per the LHC's order dated October 01, 2020. The amount of Rs.12 million, as per the LHC order, has been received by the Company during November, 2020. The management, for the release of balance amount, anticipates that JOLs will intimate in due course of time; no provision, therefore, for the remaining deposits balance amounting Rs.6 million has been made in the books of account.

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

12.4 There has been no change in the status of matter as detailed in note 15.5 to the unconsolidated financial statements of the Company for the year ended September 30, 2020.

| | Un-audited June 30, 2021 | Audited Sep. 30, 2020 |
|---------------------------------------------------------|-----------------------------|--------------------------|
| | (Rupees in thousand) | |
| 13. Long term finances - Secured | Note | |
| Balance at period end / year end | 35,983 | 37,612 |
| Less: current portion grouped under current liabilities | 24,911 | 15,208 |
| | <u>11,072</u> | <u>22,404</u> |

13.1 These finances have been obtained during the preceding year from Bank Al-Habib Ltd. under Refinance Scheme against a facility amount of Rs.50 million for payment of salaries and wages to workers and employees of the Company to dampen the effect of COVID-19. The finance facility carries profit at SBP rate + 3%; the effective mark-up rate during the period was 3% per annum. This finance facility is repayable in 8 equal quarterly instalments commenced from January, 2021 and is secured against first exclusive registered charge over the Company's head office second and third floors (without land) located at King's Arcade, Markaz F-7, Islamabad through token registered mortgage of Rs.0.500 million and remaining through equitable mortgage of Rs.580 million.

14. Trade and other payables

| | | |
|-------------------------------------------------|----------------|----------------|
| Due to Chashma Sugar Mills Ltd.-a related party | 401,448 | 65,947 |
| Creditors | 20,078 | 12,960 |
| Accrued expenses | 6,725 | 14,183 |
| Due to employees | 7,109 | 6,802 |
| Deposits from contractors and others | 768 | 681 |
| Advances from customers - contract liabilities | 548 | 43,319 |
| Income tax deducted at source | 4,234 | 402 |
| Sales tax payable | 49 | 16,423 |
| Workers' (profit) participation fund | 1,851 | 1,851 |
| Gratuity payable to ex-employees | 3,560 | 3,560 |
| Employees' provident fund payable | 649 | 482 |
| Others | 98 | 153 |
| | <u>447,117</u> | <u>166,763</u> |

15. Current portion of non-current liabilities

| | | | |
|--------------------|----|---------------|---------------|
| Long term finances | 13 | 24,911 | 15,208 |
| Lease liabilities | | 1,024 | 1,918 |
| Government grant | | 1,293 | 1,750 |
| | | <u>27,228</u> | <u>18,876</u> |

16. Contingencies and commitments

16.1 No commitments were outstanding as at June 30, 2021 and September 30, 2020.

16.2 The Company's appeal filed before the Peshawar High Court (PHC) against order of the Customs, Sales Tax & Central Excise Appellate Tribunal is still pending adjudication. The Department, during the financial year ended September 30, 2001, had raised sales tax demand aggregating Rs.4.336 million along with additional tax. The Company, however, during the financial year ended September 30, 2005, had paid sales tax amounting Rs.2.123 million along with additional tax amounting Rs.0.658 million as per the requirements of S.R.O. 247(I) / 2004 dated May 05, 2004.

16.3 Petitions filed before the Supreme Court of Pakistan (SCP) against imposition of Gas Infrastructure Development Cess (GIDC) have been dismissed vide judgment dated August 13, 2020 in 2-1 ratio. The SCP's judgment states that the cess under GIDC Act, 2015 was levied on those consumers of natural gas which on account of their industrial or commercial dealings had passed on GIDC burden to their customers. The SCP's judgment states that no late payment surcharge shall be collected while the GIDC amount that have become due upto July 31, 2020 will be recovered in 24 equal monthly instalments. In the light of the SCP's judgment, the Company has filed a review petition before the SCP for waiver of full amount of GIDC on the grounds that the Company has not passed on GIDC burden to its customers and the sugar market is not a regulated market.

The august SCP has directed the Company to approach the relevant department i.e. OGRA for removal of its grievance being the competent authority in the matter in hand. The Company is in process of filing representation before OGRA for determination of exempted amount of GIDC arrears as per exemption granted under section 8 (2) of the GIDC Act, 2015, so that the exempted amount be deducted from arrears of GIDC.

Sui Northern Gas Pipelines Ltd., along with gas bills for the month of August, 2020, has raised GIDC demands aggregating Rs.29.936 million. However, as the management is in the process of filing a representation before OGRA and a highly favourable outcome is expected; therefore, GIDC provisions have not been recognised in the books of account.

16.4 The Company's petition filed before the PHC, against the Government of Khyber Pakhtunkhwa's notification dated August 12, 2015 in which minimum wages for unskilled workers has been fixed at Rs.12,000 per month with effect from July 01, 2014 has been dismissed by the PHC vide its judgment dated April 02, 2019. The Company has filed a review petition before the PHC against the said judgment; the additional wage liabilities aggregate Rs.2.359 million approximately.

16.5 The sales tax appeal filed before the Appellate Tribunal Inland Revenue (ATIR), Peshawar against ex-parte order passed by the Commissioner Inland Revenue (Appeals) has been succeeded vide order dated March 29, 2018. The assessment order dated June 23, 2016 was passed by the DCIR, Peshawar in violation of SRO 488(I)/2004 dated June 12, 2014; the Company claimed input tax to the tune of Rs.41.672 million against the supplies to unregistered persons. A withdrawal application has been filed before the ATIR, Peshawar in pursuance of the aforesaid rectification order.

16.6 The DCIR for the tax year 2013 initially has held the Company as taxpayer-in-default for non-deduction of tax on certain supplies / services and tax demand was raised at Rs.77.750 million under section 161 (Failure to pay tax collected or deducted) along with default surcharge of Rs.4.730 million under section 205 (Default surcharge) of the Income Tax Ordinance, 2001 (the Ordinance). The Company filed rectification application under section 221 of the Ordinance and the demand was reduced to Rs.237,360. Against the said demand, the Company has filed an appeal before the CIR(A), who dismissed the Company's appeal. Presently, the Company's appeal against the CIR(A)'s order is pending before the ATIR, Peshawar.

16.7 Guarantees given to Sui Northern Gas Pipelines Ltd. by a commercial bank on behalf of the Company outstanding as at June 30, 2021 were for Rs.22 million (September 2020: Rs.20 million). These guarantees are valid upto May 26, 2022.

17 Sales

| | Quarter ended | | Nine Months Ended | |
|--------------------------------|----------------|---------------|-------------------|----------------|
| | June 30, 2021 | June 30, 2020 | June 30, 2021 | June 30, 2020 |
| ----- Rupees in thousand ----- | | | | |
| Local | 78,254 | 80,597 | 244,505 | 393,135 |
| Export | 73,247 | 0 | 175,579 | 0 |
| | <u>151,501</u> | <u>80,597</u> | <u>420,084</u> | <u>393,135</u> |

18. Other income

| | Un-audited nine months ended | |
|-------------------------------------------------|---------------------------------|----------------------|
| | June 30, 2021 | June 30, 2020 |
| | Note | (Rupees in thousand) |
| Income from financial assets: | | |
| Profit on bank deposits and saving accounts | 1,343 | 1,736 |
| Mark-up on loan to a Subsidiary Company | 540 | 18,441 |
| Dividend from a Subsidiary Company | 68,755 | 68,755 |
| Dividend from an Associated Company | 0 | 229 |
| Income from other than financial assets: | | |
| Sale of press mud | 0 | 594 |
| Un-claimed payable balances written-back | 83 | 552 |
| Rent from: | | |
| - an Associated Company | 5,206 | 5,032 |
| - a Subsidiary Company | 16,335 | 14,850 |
| Sale of agricultural produce - net | 9,173 | 2,206 |
| Gain on sale of vehicles | 0 | 173 |
| Government grant | 1,997 | 0 |
| Exchange fluctuation gain | 1,352 | 0 |
| Miscellaneous | 1,179 | 190 |
| | <u>105,963</u> | <u>112,758</u> |

19. Other expenses

| | | |
|-----------------------------------------------|---------------|------------|
| Uncollectible receivable balances written-off | 38 | 30 |
| Sales tax arrears paid | 10,386 | 923 |
| | <u>10,424</u> | <u>953</u> |

20. Taxation

| | | | |
|----------|------|-----------------|--------------|
| Current | 20.1 | 14,696 | 15,629 |
| Deferred | | (31,445) | (14,352) |
| | | <u>(16,749)</u> | <u>1,277</u> |

20.1 The Company during the current period and preceding years is mainly liable to pay tax due under sections 5 (Tax on dividends), 113 (Minimum tax on the income of certain persons) and 154 (Exports) of the income Tax Ordinance, 2001 (the Ordinance).

20.2 The Company has filed writ petitions before the Peshawar High Court (PHC) against selection for audit under sections 177 and 214C of the Ordinance for the tax years 2011, 2015, 2016, 2018, and 2019. Interim relief has been granted by the PHC in this regard.

21. Operating segment

Upto June 30, 2021, the Company considered itself to be a single reportable segment on the basis of its internal reporting structure. The Company's reportable segments during the current period are as follows:

- Sugar - Distillery

21.1 Segment operating results for the nine months period ended June 30, 2021

| | Sugar Division June 30, 2021 | Ethanol Division June 30, 2021 | Total June 30, 2021 |
|---------------------------------|---------------------------------------|-----------------------------------------|---------------------------|
| ----- Rupees in thousand ----- | | | |
| Sales | | | |
| -Local | 242,048 | 2,457 | 244,505 |
| -Export | 0 | 175,579 | 175,579 |
| | <u>242,048</u> | <u>178,036</u> | <u>420,084</u> |
| Less : sales tax | 35,173 | 357 | 35,530 |
| Sales - net | 206,875 | 177,679 | 384,554 |
| Cost of sales | (417,850) | (150,359) | (568,209) |
| Gross (loss) / profit | <u>(210,975)</u> | <u>27,320</u> | <u>(183,655)</u> |
| Distribution cost | (1,488) | (6,943) | (8,431) |
| Administrative expenses | (43,085) | 0 | (43,085) |
| | <u>(44,573)</u> | <u>(6,943)</u> | <u>(51,516)</u> |
| (Loss) / profit form operations | <u>(255,548)</u> | <u>20,377</u> | <u>(235,171)</u> |
| Other income | 0 | 0 | 105,963 |
| Other expenses | 0 | 0 | (10,424) |
| | <u>0</u> | <u>0</u> | <u>95,539</u> |
| Segment results | <u>(255,548)</u> | <u>20,377</u> | <u>(139,632)</u> |
| Finance cost | | | (21,537) |
| Loss before taxation | | | <u>(161,169)</u> |
| Taxation | | | (16,749) |
| Loss after taxation | | | <u>(144,420)</u> |

21.2 Segment assets and liabilities

| | Un-audited Nine months ended | |
|------------------------------|---------------------------------|----------------|
| | June 30, 2021 | June 30, 2021 |
| Rupees in thousand | | |
| | Assets | Liabilities |
| Sugar | 1,796,875 | 480,794 |
| Ethanol | 265,388 | 401,448 |
| Total for reportable segment | <u>2,062,263</u> | <u>882,242</u> |

22. Transactions with related parties

22.1 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
nine months ended**
June 30, June 30,
2021 2020
(Rupees in thousand)

Subsidiary Companies:

| | | |
|------------------------------------------|--------|---------|
| - purchase of store items | 5,527 | 14,907 |
| - purchase of baggage | 1,067 | 6,000 |
| - sale of store items | 1,369 | 1,675 |
| - sale of molasses | 0 | 105,920 |
| - mark-up earned on long term loan | 541 | 18,441 |
| - purchase of molasses | 63,980 | 207,156 |
| - dividend | 68,755 | 68,755 |
| - rent income | 16,335 | 14,850 |
| - rent expense | 86 | 86 |
| - Expenses paid by the Company | 5,810 | 4,756 |
| - Expenses paid on behalf of the Company | 18,875 | 13,343 |

Associated Companies:

| | | |
|-----------------|-------|-------|
| - rent received | 5,206 | 5,033 |
| - dividend | 0 | 229 |

22.2 Receivables from and payables to Subsidiary and Associated Companies have been disclosed in notes 10 and 14 respectively to these unconsolidated condensed interim financial statements.

22.3 Return has not been charged on the current account balances of Subsidiary and Associated Companies as these have arisen due to normal trade dealings.

23. Corresponding figures

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 these condensed interim financial statements.

24. Date of authorisation for issue

These unconsolidated condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on July 28, 2021.



Director



Director



Chief Financial Officer



**THE PREMIER SUGAR MILLS
& DISTILLERY COMPANY LIMITED.
MARDAN**

**CONDENSED INTERIM
CONSOLIDATED FINANCIAL INFORMATION
FOR THE NINE MONTHS PERIOD
ENDED JUNE 30, 2021
(UN-AUDITED)**

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM
STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2021

| | Note | Un-audited June 30, 2021 (Rupees in thousand) | Audited Sep. 30, 2020 |
|---------------------------------------------------------------------|------|--------------------------------------------------------|-----------------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 6 | 11,692,510 | 11,935,696 |
| Right-of-use assets | 7 | 366,149 | 400,998 |
| Investment property | | 25,158 | 25,766 |
| Long term investments | 8 | 160,383 | 164,419 |
| Security deposits | | 16,439 | 16,413 |
| | | 12,260,639 | 12,543,292 |
| Current assets | | | |
| Stores and spares | 9 | 549,517 | 641,229 |
| Stock-in-trade | 10 | 5,384,732 | 1,429,759 |
| Trade debts | 11 | 392,802 | 159,932 |
| Loans and advances | 12 | 871,652 | 1,394,226 |
| Trade deposits, short term prepayments and other receivables | 13 | 354,846 | 344,832 |
| Accrued profit on bank deposits | | 443 | 1,296 |
| Tax refunds due from the Government | | 351,434 | 332,874 |
| Sales tax refundable | | 38,077 | 0 |
| Short term investments | 14 | 36,109 | 31,097 |
| Bank balances | 15 | 576,634 | 364,707 |
| | | 8,556,246 | 4,699,952 |
| Total assets | | 20,816,885 | 17,243,244 |
| Equity and liabilities | | | |
| Share capital and reserves | | | |
| Authorised capital | | 57,500 | 57,500 |
| Issued, subscribed and paid-up capital | | 37,500 | 37,500 |
| Capital reserves | | | |
| - share redemption | 1 | 1 | 1 |
| - revaluation surplus on property, plant and equipment | | 2,496,369 | 2,780,004 |
| General revenue reserve | | 1,010,537 | 1,010,537 |
| Unappropriated profit | | 1,206,629 | 1,191,004 |
| Equity attributable to equity holders of the Holding Company | | 4,751,036 | 5,019,046 |
| Non-controlling interest | | 4,234,646 | 4,128,754 |
| | | 8,985,682 | 9,147,800 |
| Non-current liabilities | | | |
| Long term finances | 16 | 1,682,360 | 1,537,579 |
| Loans from related parties | 17 | 206,825 | 219,325 |
| Lease liabilities | 18 | 248,833 | 280,959 |
| Government grant | | 8,934 | 15,882 |
| Deferred liabilities | 19 | 1,591,386 | 1,520,115 |
| | | 3,738,338 | 3,573,860 |
| Current liabilities | | | |
| Trade and other payables | 20 | 780,192 | 1,064,750 |
| Unclaimed dividends | | 7,470 | 13,322 |
| Accrued mark-up | | 156,740 | 120,814 |
| Short term borrowings | 21 | 6,177,640 | 2,670,410 |
| Current portion of non-current liabilities | 22 | 909,310 | 613,578 |
| Dividends payable to non-controlling interest | | 22,350 | 14,533 |
| Taxation | | 39,163 | 24,177 |
| | | 8,092,865 | 4,521,584 |
| Total liabilities | | 11,831,203 | 8,095,444 |
| Contingencies and commitments | 23 | | |
| Total equity and liabilities | | 20,816,885 | 17,243,244 |

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


Director


Director


Chief Financial Officer

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM
STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED JUNE 30, 2021

| Note | Quarter ended | | Nine months ended | |
|---------------------------------------------------------------|--------------------------------|--------------------|--------------------|---------------------|
| | June 30, 2021 | June 30, 2020 | June 30, 2021 | June 30, 2020 |
| | ----- Rupees in thousand ----- | | | |
| Sales | | | | |
| - local | 5,192,671 | 7,702,636 | 9,596,464 | 13,626,126 |
| - export | 1,079,071 | 1,247,674 | 3,231,481 | 2,671,904 |
| | 6,271,742 | 8,950,310 | 12,827,945 | 16,298,030 |
| Less: sales tax, other government levies and discounts | | | | |
| | (757,958) | (1,184,186) | (1,414,408) | (2,063,750) |
| Sales - net | 5,513,784 | 7,766,124 | 11,413,537 | 14,234,280 |
| Cost of sales | (4,770,911) | (5,981,093) | (9,913,055) | (11,257,384) |
| Gross profit | 742,873 | 1,785,031 | 1,500,482 | 2,976,896 |
| Selling and distribution expenses | (113,570) | (246,624) | (371,155) | (555,961) |
| Administrative expenses | (171,819) | (161,522) | (531,845) | (494,005) |
| Other income | 10,435 | 34,722 | 66,687 | 70,377 |
| Other expenses | (25,074) | (67,303) | (37,453) | (86,588) |
| Profit from operations | 442,845 | 1,344,304 | 626,716 | 1,910,719 |
| Finance cost | (218,102) | (274,052) | (591,750) | (766,667) |
| | 224,743 | 1,070,252 | 34,966 | 1,144,052 |
| Share of (loss) / profit from Associated Companies | 8 (2,403) | 728 | (7,284) | 2,386 |
| Profit before taxation | 222,340 | 1,070,980 | 27,682 | 1,146,438 |
| Taxation | | | | |
| Group | | | | |
| - current | 11,361 | 127,038 | 45,546 | 216,400 |
| - prior year | 0 | 0 | 0 | 154 |
| - deferred | 59,994 | 11,906 | 75,729 | (93,124) |
| | 71,355 | 138,944 | 121,275 | 123,430 |
| Associated Companies | 8 106 | (14) | 64 | (62) |
| | 71,461 | 138,930 | 121,339 | 123,368 |
| Profit / (loss) after taxation | 150,879 | 932,050 | (93,657) | 1,023,070 |
| | ----- Rupees ----- | | | |
| Combined earnings/ (loss) per share | 11.36 | 123.78 | (42.85) | 123.92 |

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


Director


Director


Chief Financial Officer

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM
STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED JUNE 30, 2021

| | Quarter ended | | Nine months ended | |
|---------------------------------------------------------------|--------------------------------|---------------|-------------------|---------------|
| | June 30, 2021 | June 30, 2020 | June 30, 2021 | June 30, 2020 |
| | ----- Rupees in thousand ----- | | | |
| Profit / (loss) after taxation | 150,879 | 932,050 | (93,657) | 1,023,070 |
| Other comprehensive income | | | | |
| Item that may be reclassified subsequently to profit or loss: | | | | |
| Share of other comprehensive income from Associated Companies | 0 | (162) | 0 | 0 |
| Total comprehensive income/ (loss) | 150,879 | 931,888 | (93,657) | 1,023,070 |
| Attributable to: | | | | |
| - Equity holders of the Holding Company | 42,585 | 464,162 | (160,700) | 464,710 |
| - Non-controlling interest | 108,294 | 467,726 | 67,043 | 558,360 |
| | 150,879 | 931,888 | (93,657) | 1,023,070 |

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


Director


Director


Chief Financial Officer

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM
STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2021

| | Nine Months Period Ended | |
|-------------------------------------------------------------------------------|--------------------------|---------------|
| | June 30, 2021 | June 30, 2020 |
| | (Rupees in thousand) | |
| Cash flows from operating activities | | |
| (Loss) / profit for the period - before taxation | 27,682 | 1,146,438 |
| Adjustments for non-cash charges and other items: | | |
| Depreciation on property, plant and equipment | 767,711 | 656,607 |
| Depreciation on right-of-use assets | 71,520 | 38,423 |
| Depreciation on investment property | 608 | 662 |
| Loss / (profit) from Associated Companies | 7,284 | (2,386) |
| Mark-up / profit on bank deposits and saving accounts | (5,077) | (7,931) |
| Un-claimed payable balances written-back | (83) | (552) |
| Loss / (gain) on sale of operating fixed assets | 0 | (1,669) |
| Gain on redemption and re-measurement of short term investments to fair value | (1,846) | (2,370) |
| Dividend | 0 | (229) |
| Uncollectible receivable balances written-off | 38 | 30 |
| Finance cost | 591,750 | 766,666 |
| Profit before working capital changes | 1,459,587 | 2,593,689 |
| Effect on cash flows due to working capital changes | | |
| (Increase) / decrease in current assets | | |
| Stores and spares | 91,712 | 10,350 |
| Stock-in-trade | (3,954,973) | (1,006,600) |
| Trade debts | (232,870) | (1,805,761) |
| Loans and advances | 522,536 | (134,690) |
| Trade deposits, short term prepayments and other receivables | (10,014) | 1,554 |
| Sales tax refundable - net | (38,077) | (35,051) |
| Increase in trade and other payables | (284,475) | 340,136 |
| | (3,906,161) | (2,630,062) |
| Cash used in operations | (2,446,574) | (36,373) |
| Taxation - net | (49,120) | (155,505) |
| Security deposits | (26) | 0 |
| Staff retirement benefits - gratuity (net) | (915) | 3,939 |
| Net cash used in operating activities | (2,496,635) | (187,939) |
| Cash flows from investing activities | | |
| Additions to property, plant and equipment and right-of-use assets | (546,697) | (720,486) |
| Sale proceeds of operating fixed assets | 59,395 | 6,538 |
| Dividend received | 0 | 229 |
| Short term investments - made | (11,000) | 8,958 |
| - redeemed | 7,550 | 0 |
| Mark-up / profit received on bank deposits and saving accounts | 5,931 | 6,973 |
| Net cash used in investing activities | (484,822) | (697,788) |
| Cash flows from financing activities | | |
| Long term finances - net | 351,780 | (67,541) |
| Loan from related parties - net | 0 | 56,236 |
| Lease liabilities - net | (32,419) | 13,705 |
| Government grant | (7,576) | 0 |
| Short term borrowings - net | 3,507,230 | 1,914,600 |
| Finance cost paid | (555,824) | (965,244) |
| Dividends paid | (69,808) | (70,045) |
| Net cash generated from financing activities | 3,193,383 | 881,711 |
| Net increase/ (decrease) in cash and cash equivalents | 211,927 | (4,016) |
| Cash and cash equivalents - at beginning of the period | 364,707 | 312,499 |
| Cash and cash equivalents - at end of the period | 576,634 | 308,483 |

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


Director


Director


Chief Financial Officer

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2021

| | ----- Attributable to equity holders of the Holding Company----- | | | | | Total | Non-controlling interest | Total equity |
|-------------------------------------------------------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------|-----------|-----------------|-----------|-----------|--------------------------|--------------|
| | Share capital | Reserves | | | | | | |
| | | Share redemption | Capital | General revenue | | | | |
| | | Revaluation surplus on property, plant and equipment | | | | | | |
| ----- Rupees in thousand ----- | | | | | | | | |
| Balance as at September 30, 2020 | 37,500 | 1 | 2,780,004 | 1,010,537 | 1,191,004 | 5,019,046 | 4,128,754 | 9,147,800 |
| Transaction with owners: | | | | | | | | |
| Cash dividend at the rate of Rs.5.00 per ordinary share for the year ended September 30, 2020 | 0 | 0 | 0 | 0 | 0 | 0 | (71,773) | (71,773) |
| Total comprehensive income: | | | | | | | | |
| (Loss)/ profit for Nine months period ended June 30, 2021 | 0 | 0 | 0 | 0 | (160,700) | (160,700) | 67,043 | (93,657) |
| Effect of items directly credited in equity by Associated Companies | 0 | 0 | 3,879 | 0 | (567) | 3,312 | 0 | 3,312 |
| Transfer from revaluation surplus on property, plant and equipment (net of deferred taxation) | 0 | 0 | 0 | 0 | 176,892 | 176,892 | 110,622 | 287,514 |
| - on account of incremental depreciation for the nine month period | 0 | 0 | (270,219) | 0 | 0 | (270,219) | 0 | (270,219) |
| - upon disposal of revalued assets | 0 | 0 | (17,295) | 0 | 0 | (17,295) | 0 | (17,295) |
| Balance as at June 30, 2021 | 37,500 | 1 | 2,496,369 | 1,010,537 | 1,206,629 | 4,751,036 | 4,234,646 | 8,985,682 |
| Balance as at September 30, 2019 | 37,500 | 1 | 2,447,144 | 1,010,537 | 737,032 | 4,232,214 | 3,192,360 | 7,424,574 |
| Transaction with owners: | | | | | | | | |
| - Cash dividend at the rate of Rs.5.00 per ordinary share for the year ended September 30, 2019 | 0 | 0 | 0 | 0 | 0 | 0 | (71,773) | (71,773) |
| Total comprehensive income: | | | | | | | | |
| Profit for the Nine months ended June 30, 2020 | 0 | 0 | 0 | 0 | 464,710 | 464,710 | 558,360 | 1,023,070 |
| Other comprehensive income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Effect of items directly credited in equity by Associated Companies | 0 | 0 | 0 | 0 | 464,710 | 464,710 | 558,360 | 1,023,070 |
| Transfer from revaluation surplus on property, plant and equipment (net of deferred taxation) | 0 | 0 | 0 | 0 | 128,039 | 128,039 | 96,549 | 224,588 |
| - on account of incremental depreciation for the nine month period | 0 | 0 | (128,039) | 0 | 0 | (128,039) | (96,549) | (224,588) |
| Balance as at June 30, 2020 | 37,500 | 1 | 2,319,105 | 1,010,537 | 1,330,462 | 4,697,605 | 3,678,947 | 8,376,552 |

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


Director


Director


Chief Financial Officer

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2021

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. The Holding Company's 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. The Holding Company has shifted its distillery from Mardan to Ramak Dera Ismail Khan.

1.2 Subsidiary Companies

(a) Chashma Sugar Mills Ltd. (CSML) and Whole Foods (Pvt.) Ltd.

CSML was incorporated in Pakistan on May 05, 1988 as a Public Company, under the Companies Ordinance, 1984 (which was repealed on promulgation of the Companies Act, 2017 on May 30, 2017) and commenced its commercial production from July 09, 1988. CSML has its shares quoted on the Pakistan Stock Exchange Ltd. CSML is principally engaged in manufacturing, production, processing, compounding, preparation and sale of sugar, other allied compound, intermediates and by-products. CSML is a Subsidiary of The Premier Sugar Mills & Distillery Company Ltd. The head office of CSML 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. (WFPL-100% owned Subsidiary of CSML) was incorporated in Pakistan as a Private Limited Company under Companies Act, 2017 on October 26, 2017. The principal activity of WFPL is to setup, manage, supervise and control the storage facilities for agricultural produce.

The Holding Company directly and indirectly controls / beneficially owns more than fifty percent of CSML's paid-up capital and also has the power to elect and appoint more than fifty percent of its directors; accordingly, CSML 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 March 31, 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

2.1 Statement of Compliance

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.

2.2 These interim consolidated financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the annual audited consolidated financial statements of the Group as at and for the year ended September 30, 2020.

2.3 The comparative consolidated condensed interim statement of financial position presented in these interim consolidated financial statements has been extracted from the audited consolidated financial statements of the Group for the year ended September 30, 2020, whereas the consolidated condensed comparative interim statement of profit or loss & other comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim statement of cash flows have been extracted from the un-audited condensed interim consolidated financial statements of the Group for the period ended June 30, 2020.

2.4 These interim consolidated financial statements are un-audited and are being submitted to the shareholders as required by the listing regulations of Pakistan Stock Exchange Ltd. vide section 237 of the Companies Act, 2017.

2.5 Basis of measurement

These interim consolidated financial statements have been prepared under the historical cost convention except for the Group's liability under defined benefit plan (gratuity), which is determined on the present value of defined benefit obligations determined by independent actuaries, liabilities against assets subject to finance lease at present value of minimum lease payments and property, plant and equipment at revalued amounts assessed by independent valuers.

2.6 Functional and presentation currency

These condensed interim consolidated financial statements are presented in Pak Rupees, which is also the Group's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise stated.

3. Significant accounting policies

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

3.1 Changes in accounting standards, interpretations and pronouncements

a) Standards and amendments to approved accounting and reporting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards, which are mandatory for the Group's annual accounting period commenced on October 01, 2020. However, these do not have any significant impact on the Group's financial reporting and, therefore, have not been disclosed in these condensed interim consolidated financial statements.

b) Standards and amendments to approved accounting and reporting standards that are not yet effective

There are certain amendments and interpretations to the accounting and reporting standards, that will be mandatory for the Group's annual accounting periods commencing on or after January 01, 2021. However, these will not have any material impact on the Group's financial reporting and, therefore, have not been disclosed in these condensed interim consolidated financial statements.

4. Accounting estimates, judgments and financial risk management

4.1 The preparation of condensed interim consolidated financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

4.2 The significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the annual audited consolidated financial statements of the Group 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 audited annual consolidated financial statements as at and for the year ended September 30, 2020.

4.4 The Holding Company follows 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.

5. Principles of consolidation

These condensed interim consolidated financial statements have been prepared under the historical cost convention except as otherwise stated .

These condensed interim consolidated financial statements include the financial statements of the Holding Company, consolidated financial statements of CSML and the financial statements of FSM as at and for the Nine months period ended June 30, 2021. The Holding Company's direct interest, as at June 30, 2021 and September 30, 2020, in CSML was 47.93% and in FSM was 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 June 30, 2021 | Audited September 30, 2020 |
|------------------------------------------------------------------------|------|--------------------------------|----------------------------------|
| | Note | (Rupees in thousand) | |
| Operating fixed assets - tangible | 6.1 | 11,328,109 | 11,114,958 |
| Capital work-in-progress | 6.2 | 364,401 | 820,738 |
| | | <u>11,692,510</u> | <u>11,935,696</u> |
| 6.1 Operating fixed assets - tangible | | | |
| Book value at beginning of the period - audited | | 11,114,958 | |
| Additions during the period: | | | |
| - buildings and roads | | 214,164 | |
| - plant and machinery | | 701,348 | |
| - electric installations | | 97,894 | |
| - office equipment | | 8,909 | |
| - furniture and fixtures | | 3,856 | |
| - vehicles-owned | | 2,984 | |
| | | <u>1,029,155</u> | |
| Book value of operating fixed assets disposed-off during the period | | (59,395) | |
| Depreciation charge for the period | | (767,711) | |
| Transfer from right-of-use assets to owned | 7 | 11,102 | |
| Book value at end of the period - un-audited | | <u>11,328,109</u> | |

| | Note | Un-audited June 30, 2021 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|--------------------------------|
| | | Rupees in thousand |
| 6.2 Capital work-in-progress | | |
| At beginning of the period | | 820,738 |
| Add: Additions during the period | 6.3 | 617,205 |
| Less: Capitalised / adjusted during the period | | (1,072,531) |
| Less: other adjustments | | (1,011) |
| | | <u>364,401</u> |
| Balance at end of the period | | |
| 6.3 Additions during the period | | |
| Buildings and roads | | 80,971 |
| Plant and machinery | | 379,209 |
| Electric installations | | 82,919 |
| Vehicles | | 59,629 |
| Advances to contractors | | 14,477 |
| | | <u>617,205</u> |
| 7. Right-of-use assets | | |
| Book value at beginning of the period - audited | | 395,099 |
| Additions during the period | | 60,667 |
| Deletions during the period | | (6,995) |
| Transfer to owned assets | 6.1 | (11,102) |
| Depreciation charge for the period | | (71,520) |
| Book value at end of the period | | <u>366,149</u> |
| 8. Long term investments | | |
| Investments in equity instruments of Associated Companies | | |
| Balance at beginning of the period - cost | | 5,638 |
| Add: post acquisition profit brought forward | | 158,781 |
| | | <u>164,419</u> |
| Add: share for the period: | | |
| - loss | | (7,284) |
| - items directly credited in equity | | 3,312 |
| Less: taxation | | (64) |
| | | <u>(4,036)</u> |
| Balance at end of the period | | <u>160,383</u> |
| 9. Stores and spares | | |
| 9.1 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 amounting Rs.32.328 million have not been adjusted for any potential impairment loss. | | |
| 9.2 Stores and spares include items which may result in fixed capital expenditure but are not distinguishable. | | |

| 10. Stock-in-trade | Un-audited June 30, 2021 (Rupees in thousand) | Audited September 30, 2020 |
|--------------------|--------------------------------------------------------|----------------------------------|
| Finished goods: | | |
| - sugar | 2,884,429 | 357,752 |
| - molasses | 1,878,430 | 701,352 |
| - ethanol | 598,504 | 351,199 |
| | <u>5,361,363</u> | <u>1,410,303</u> |
| Work-in-process | 23,369 | 19,456 |
| | <u>5,384,732</u> | <u>1,429,759</u> |

10.1 In case of the Holding Company, work-in-process and finished goods as at June 30, 2021 have been stated at net realisable value; the amount charged to statement of profit or loss in respect of this write-down to net realisable value worked-out to Rs.9.083 million (September 30, 2020: Rs.40.783 million).

11. Trade debts - Unsecured

| | | |
|----------------------|----------------|----------------|
| Considered good | 392,802 | 159,932 |
| Considered doubtful | 1,945 | 1,945 |
| | <u>394,747</u> | <u>161,877</u> |
| Less: loss allowance | 1,945 | 1,945 |
| | <u>392,802</u> | <u>159,932</u> |

12. Loans and advances

| | | |
|-----------------------------------------|----------------|------------------|
| Advances to: | | |
| - employees - secured | 12,551 | 9,207 |
| - suppliers and contractors - unsecured | 697,418 | 1,182,574 |
| Letters of credit | 194,276 | 235,038 |
| | <u>904,245</u> | <u>1,426,819</u> |
| Less: | | |
| - provision for doubtful advances | 28,838 | 28,838 |
| - loss allowance | 3,755 | 3,755 |
| | <u>32,593</u> | <u>32,593</u> |
| | <u>871,652</u> | <u>1,394,226</u> |

13. Trade deposits, short term prepayments and other receivables

| | | |
|------------------------------------------------------------------------------------|----------------|----------------|
| Sugar export subsidy receivable | 308,510 | 308,510 |
| Prepayments | 8,783 | 5,790 |
| Excise duty deposits | 136 | 136 |
| Gas infrastructure development cess paid under protest - refundable | 3,018 | 3,018 |
| Lease rentals receivable from an Associated Company (Premier Board Mills Ltd.) | 1,912 | 3,413 |
| Guarantees issued | 19,000 | 19,000 |
| Deposits | 1,619 | 2,480 |
| Deposits against decretal amounts | 2,862 | 0 |
| Other receivables | 9,006 | 2,485 |
| | <u>354,846</u> | <u>344,832</u> |

| 14. Short term investments -At fair value through profit or loss | Un-audited June 30, 2021 (Rupees in thousand) | Audited September 30, 2020 |
|------------------------------------------------------------------------------------|--------------------------------------------------------|----------------------------------|
| First Habib Cash Fund | Note | |
| Opening balance - 308,045 Units (2020: 284,785 Units) | | 31,097 |
| Investments made during the period / year - 109,362 Units (2020: 108,457 Units) | | 11,000 |
| Gain on redemption / re-measurement to fair value | | 1,562 |
| Units redeemed during the period / year - 74,958 Units (2020: 108,913 Units) | | (7,550) |
| Closing balance - 358,802 Units (2020: 308,045 Units) | | 31,097 |
| | | <u>36,109</u> |

15. Bank balances

15.1 Bank balances include deposits amounting Rs.13 million (September 30, 2020: Rs.20 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.

15.2 The Securities and Exchange Commission of Pakistan (SECP) winding-up petition filed against Innovative Investment Bank Limited was decided by the Lahore High Court, Lahore (LHC) and LHC appointed Joint Official Liquidators (JOLs). The LHC, vide its order dated April 14, 2018 had approved release of payment upto Rs.20 million in respect of principal amount only subject to verification as per the laws. The amount of Rs.20 million, as per the LHC order, was 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 dividend regarding payment of third tranche of Rs.24 million from JOLs as per the LHC's order dated October 01, 2020. The amount of Rs.24 million, as per the LHC order, has been received by the Group during November, 2020. The management, for the release of balance amount, anticipates that JOLs will intimate in due course of time; no provision, therefore, for the remaining deposits balance amounting Rs.12 million has been made in the books of account of the Holding Company and FSM.

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

15.4 There has been no change in the status of matter as detailed in note 17.6 to the consolidated financial statements of the Group for the year ended September 30, 2020.

16. Long term finances - secured

The Holding Company

Bank Al-Habib Ltd. 16.1 35,983 37,612

CSML

| | | |
|----------------------------------|-----------|---------|
| Bank Al-Habib Ltd. | 560,651 | 372,831 |
| Soneri Bank Ltd. | 1,090,747 | 918,260 |
| The Bank of Punjab | 0 | 14,100 |
| Dubai Islamic Bank Pakistan Ltd. | 292,479 | 487,466 |
| MCB Bank Ltd. | 206,144 | 249,113 |
| Al-Baraka Bank (Pakistan) Ltd. | 245,158 | 0 |

16.2 2,395,179 2,041,770

balance c/f 2,431,162 2,079,382

| | Un-audited June 30, 2021 | Audited September 30, 2020 |
|------------------------------------------------------------------------------------------------------------------|--------------------------------|----------------------------------|
| balance b/f | 2,431,162 | 2,079,382 |
| Less: | | |
| Amounts payable within next 12 months grouped under current liabilities - principal | | |
| - The Holding Company | 24,911 | 15,208 |
| - CSML | 701,484 | 500,640 |
| Deferred benefit of below market rate of interest on refinance facility grouped under deferred liabilities | 22,407 | 25,955 |
| 19 | 748,802 | 541,803 |
| Amount due after June 30, 2022 | 1,682,360 | 1,537,579 |

16.1 These finances have been obtained during the preceding year from Bank Al-Habib Ltd. under Refinance Scheme against a facility amount of Rs.50 million for payment of salaries and wages to workers and employees of the Holding Company to dampen the effect of COVID-19. The finance facility carries profit at SBP rate + 3%; the effective mark-up rate during the period was 3% per annum. This finance facility is repayable in 8 equal quarterly instalments commenced from January, 2021 and is secured against first exclusive registered charge over the Holding Company's head office second and third floors (without land) located at King's Arcade, Markaz F-7, Islamabad through token registered mortgage of Rs.0.500 million and remaining through equitable mortgage of Rs.580 million.

16.2 These represent term and demand finances obtained by CSML 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 SBP rate + 1%. These are secured against first / joint pari passu hypothecation charge over all present and future movable fixed assets of CSML and first / joint pari passu charge by way of equitable mortgage on all present and future immovable fixed assets of CSML, pledge of sugar stock and lien on export contract / LC.

17. Loans from related parties - secured

| | | | |
|---------------------------------------------------------|------|-----------------|---------|
| Premier Board Mills Ltd. | 17.1 | 90,575 | 90,575 |
| Arpak International Investments Ltd. | 17.2 | 43,750 | 43,750 |
| Aztlak Enterprises (Pvt.) Ltd. | 17.3 | 85,000 | 85,000 |
| | | 219,325 | 219,325 |
| Less: current portion grouped under current liabilities | | (12,500) | 0 |
| | | 206,825 | 219,325 |

17.1 This include long term finance facilities obtained by CSML and its Subsidiary.

The long term finance facility had been renewed on November 04, 2019. The principal is repayable in 7 semi annual instalments 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. This loan is secured against promissory note from CSML.

Long term finance facility amounting to Rs 25 million was obtained during the preceding year by the Subsidiary of CSML. The principal is repayable in 8 semi annual instalments 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 Subsidiary of CSML.

17.2 The long term finance facility had been renewed on November 04, 2019. The principal is repayable in 7 semi annual instalments 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. This loan is secured against promissory note from CSML.

17.3 The long term finance facility was obtained during the preceding year. The principal is repayable in 8 semi annual instalments 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. This loan is secured against promissory note from CSML.

| | Un-audited June 30, 2021 | Audited September 30, 2020 |
|----------------------------------------------------------------------------|-----------------------------|----------------------------------|
| 18 Lease liabilities | | |
| Balance at beginning of the period -audited | 372,737 | |
| Additions during the period | 60,667 | |
| Unwinding of interest on lease liabilities | 35,967 | |
| Early termination / remeasurement of lease liabilities | (6,995) | |
| Payments made during the period | (119,051) | |
| Balance at end of the period -un-audited | 343,325 | |
| Less: current portion grouped under current liabilities | (94,492) | |
| | 248,833 | |
| 19. Deferred liabilities | | |
| Deferred taxation | | |
| - The Holding Company | 117,307 | 148,753 |
| - CSML | 1,424,411 | 1,317,231 |
| | 1,541,718 | 1,465,984 |
| Staff retirement benefits - gratuity | | |
| - The Holding Company | 16,645 | 18,479 |
| - FSM | 66 | 66 |
| - CSML | 10,550 | 9,631 |
| | 27,261 | 28,176 |
| Deferred benefit of below market rate of interest on refinance facility | 22,407 | 25,955 |
| 16 | 1,591,386 | 1,520,115 |

| | | Un-audited June 30, 2021 | Audited September 30, 2020 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|--------------------------------|----------------------------------|
| 20. Trade and other payables | Note | (Rupees in thousand) | |
| Creditors | | 305,703 | 509,183 |
| Due to Associated Companies | 20.1 | 44,375 | 88,431 |
| Accrued expenses | | 82,033 | 135,939 |
| Retention money | | 18,037 | 15,334 |
| Security deposits | | 1,563 | 2,666 |
| Advances from customers | | 123,528 | 82,867 |
| Income tax deducted at source | | 34,191 | 33,273 |
| Sales tax payable | | 45,069 | 16,423 |
| Gratuity payable to ex-employees | | 5,363 | 5,543 |
| Advance received against sale of scrap | | 2,024 | 2,024 |
| Payable for workers' welfare obligations | | 55,508 | 109,126 |
| Payable to provident fund | | 4,163 | 4,154 |
| Payable to employees | | 54,313 | 52,314 |
| Others | | 4,322 | 7,473 |
| | | 780,192 | 1,064,750 |
| 20.1 This represents amounts due to: | | | |
| - Azlak Enterprises (Pvt.) Ltd. | | 39,772 | 32,622 |
| - Syntronics Ltd. | | 4,603 | 55,809 |
| - Syntron Ltd. | | 0 | 0 |
| | | 44,375 | 88,431 |
| 21. Short term borrowings - secured | | | |
| The Holding Company | | 214,000 | 290,000 |
| CSML | | | |
| Cash / running finances | 21.1 | 4,463,640 | 418,410 |
| Export refinances | | 1,500,000 | 1,962,000 |
| | | 6,177,640 | 2,670,410 |
| 21.1 These represent cash finance and export re-finance facilities and are repayable in six months to one year period. The rate of mark-up ranges from SBP Rate+1% per annum to KIBOR + 1.75% per annum and are secured against pledge of sugar stock with margin ranging from 10% to 25%, lien on export contracts / LCs and import documents. | | | |
| 22. Current portion of non-current liabilities | | | |
| Long term finances | 16 | 768,413 | 515,848 |
| Loans from related parties | 17 | 44,088 | 0 |
| Lease liabilities | 18 | 95,516 | 95,809 |
| Government grant | | 1,293 | 1,921 |
| | | 909,310 | 613,578 |

23. Contingencies and commitments

The Holding Company

23.1 No commitments were outstanding as at June 30, 2021 and September 30, 2020.

23.2 The Holding Company's appeal filed before the Peshawar High Court (PHC) against order of the Customs, Sales Tax & Central Excise Appellate Tribunal is still pending adjudication. The Department, during the financial year ended September 30, 2001, had raised sales tax demand aggregating Rs.4.336 million along with additional tax. The Holding Company, however, during the financial year ended September 30, 2005, had paid sales tax amounting Rs.2.123 million along with additional tax amounting Rs.0.658 million as per the requirements of S.R.O. 247(I) / 2004 dated May 05, 2004.

23.3 Petitions filed before the Supreme Court of Pakistan (SCP) against imposition of Gas Infrastructure Development Cess (GIDC) have been dismissed vide judgment dated August 13, 2020 in 2-1 ratio. The SCP's judgment states that the cess under GIDC Act, 2015 was levied on those consumers of natural gas which on account of their industrial or commercial dealings had passed on GIDC burden to their customers. The SCP's judgment states that no late payment surcharge shall be collected while the GIDC amount that have become due upto July 31, 2020 will be recovered in 24 equal monthly instalments. In the light of the SCP's judgment, the Holding Company has filed a review petition before the SCP for waiver of full amount of GIDC on the grounds that the Holding Company has not passed on GIDC burden to its customers and the sugar market is not a regulated market.

The august SCP has directed the Holding Company to approach the relevant department i.e. OGRA for removal of its grievance being the competent authority in the matter in hand. The Holding Company is in process of filing representation before OGRA for determination of exempted amount of GIDC arrears as per exemption granted under section 8 (2) of the GIDC Act, 2015, so that the exempted amount be deducted from arrears of GIDC.

Sui Northern Gas Pipelines Ltd., along with gas bills for the month of August, 2020, has raised GIDC demands aggregating Rs.29.936 million. However, as the management is in the process of filing a representation before OGRA and a highly favourable outcome is expected; therefore, GIDC provisions have not been recognised in the books of account.

23.4 The Holding Company's petition filed before the PHC, against the Government of Khyber Pakhtunkhwa's notification dated August 12, 2015 in which minimum wages for unskilled workers has been fixed at Rs.12,000 per month with effect from July 01, 2014 has been dismissed by the PHC vide its judgment dated April 02, 2019. The Holding Company has filed a review petition before the PHC against the said judgment; the additional wage liabilities aggregate Rs.2.359 million approximately.

23.5 The sales tax appeal filed before the Appellate Tribunal Inland Revenue (ATIR), Peshawar against ex-parte order passed by the Commissioner Inland Revenue (Appeals) - CIR(A)- has been succeeded vide order dated March 29, 2018. The assessment order dated June 23, 2016 was passed by the Deputy Commissioner Inland Revenue (DCIR) , Peshawar in violation of SRO 488(I)/2004 dated June 12, 2014; the Holding Company claimed input tax to the tune of Rs.41.672 million against the supplies to unregistered persons. A withdrawal application has been filed before the ATIR, Peshawar in pursuance of the aforesaid rectification order.

23.6 The DCIR for the tax year 2013 initially has held the Holding Company as taxpayer-in-default for non-deduction of tax on certain supplies / services and tax demand was raised at Rs.77.750 million under section 161 (Failure to pay tax collected or deducted) along with default surcharge of Rs.4.730 million under section 205 (Default surcharge) of the Income Tax Ordinance, 2001 (the Ordinance). The Holding Company filed rectification application under section 221 of the Ordinance and the demand was reduced to Rs.237,360. Against the said demand, the Holding Company has filed an appeal before the CIR(A), who dismissed the Holding Company's appeal. Presently, the Holding Company's appeal against the CIR(A)'s order is pending before the ATIR, Peshawar.

23.7 Guarantees given to Sui Northern Gas Pipelines Ltd. by a commercial bank on behalf of the Holding Company outstanding as at June 30, 2021 were for Rs. 13 million (September 2020: Rs.20 million). These guarantees are valid upto November 30, 2021.

FSM

23.8 There has been no significant change in the status of contingencies as disclosed in notes 30.10 to 30.12 to the audited consolidated financial statements of the Group for the year ended September 30, 2020.

CSML

23.9 There has been no significant change in the status of contingencies as disclosed in notes 30.14 to 30.21 to the audited consolidated financial statements of the Group for the year ended September 30, 2020.

23.10 Commitments

| | Un-audited June 30, 2021 (Rupees in thousand) | Audited September 30, 2020 |
|---------------------------------------------------------------|--------------------------------------------------------|----------------------------------|
| Commitments in respect of : | | |
| - foreign letters of credit for purchase of plant & machinery | <u>160,492</u> | 5,574 |
| - local letters of credit for purchase of plant & machinery | <u>263,436</u> | 299,510 |
| - capital expenditure other than for letters of credit | <u>317,123</u> | 12,042 |

24. Operating segment

Upto June 30, 2021, the Holding Company considered itself to be a single reportable segment on the basis of its internal reporting structure. The Holding Company's reportable segments during the current period are Sugar and Distillery.

24.1 Segment operating results of the Holding Company for the Nine months ended

| | Sugar Division June 30, 2021 ----- Rupees in thousand ----- | Ethanol Division June 30, 2021 | Total June 30, 2021 |
|---------------------------------|-------------------------------------------------------------------------|-----------------------------------------|---------------------------|
| Sales | | | |
| -Local | 242,048 | 2,457 | 244,505 |
| -Export | 0 | 175,579 | 175,579 |
| | <u>242,048</u> | <u>178,036</u> | <u>420,084</u> |
| Less : sales tax | 35,173 | 357 | 35,530 |
| Sales - net | <u>206,875</u> | <u>177,679</u> | <u>384,554</u> |
| Cost of sales | <u>(417,850)</u> | <u>(150,359)</u> | <u>(568,209)</u> |
| Gross (loss) / profit | <u>(210,975)</u> | <u>27,320</u> | <u>(183,655)</u> |
| Distribution cost | <u>(1,488)</u> | <u>(6,943)</u> | <u>(8,431)</u> |
| Administrative expenses | <u>(43,085)</u> | <u>0</u> | <u>(43,085)</u> |
| | <u>(44,573)</u> | <u>(6,943)</u> | <u>(51,516)</u> |
| (Loss) / profit form operations | <u>(255,548)</u> | <u>20,377</u> | <u>(235,171)</u> |
| Other income | <u>0</u> | <u>0</u> | <u>105,963</u> |
| Other expenses | <u>0</u> | <u>0</u> | <u>(10,424)</u> |
| | <u>0</u> | <u>0</u> | <u>95,539</u> |
| Segment results | <u>(255,548)</u> | <u>20,377</u> | <u>(139,632)</u> |
| Finance cost | | | <u>(21,537)</u> |
| Loss before taxation | | | <u>(161,169)</u> |
| Taxation | | | <u>(16,749)</u> |
| Loss after taxation | | | <u>(144,420)</u> |
| | | Un-audited | |
| | | Nine months ended | |
| | | June 30, | June 30, |
| | | 2021 | 2021 |
| | | Rupees in thousand | |
| | | Assets | Liabilities |
| Sugar | | <u>1,796,875</u> | <u>480,794</u> |
| Ethanol | | <u>265,388</u> | <u>401,448</u> |
| Total for reportable segment | | <u>2,062,263</u> | <u>882,242</u> |

25. Segment operating results of CSML for the nine months ended

| | Sugar Division | | | Ethanol Division | | | Total | | | | | |
|-----------------------------|--------------------|---------------|--------------------------|--------------------|---------------|--------------------------|--------------------|---------------|--------------------------|-------------|-------------|-------------|
| | Three month period | | Three month period ended | Three month period | | Three month period ended | Three month period | | Three month period ended | | | |
| | June 30, 2021 | June 30, 2020 | June 30, 2021 | June 30, 2021 | June 30, 2020 | June 30, 2021 | June 30, 2020 | June 30, 2021 | | | | |
| Sales | 5,011,681 | 7,462,537 | 9,027,655 | 12,807,058 | 1,150,005 | 1,626,876 | 3,449,692 | 3,433,495 | 6,161,686 | 9,089,413 | 12,477,347 | 16,240,553 |
| -External Customers | | | | | | | | | | | | |
| -Intersegment | 74,478 | (100,253) | 693,670 | 467,938 | - | - | - | - | 74,478 | (100,253) | 693,670 | 467,938 |
| -Others | | | | | | | | | | | | 2,457 |
| Less : sales tax and others | (731,445) | (1,097,642) | (1,325,795) | (1,908,732) | (15,139) | (56,480) | (53,083) | (113,193) | (746,584) | (1,154,122) | (1,378,878) | (2,021,925) |
| Sales - net | 4,354,714 | 6,264,642 | 8,395,530 | 11,366,264 | 1,134,866 | 1,570,396 | 3,396,609 | 3,320,302 | 5,489,580 | 7,835,038 | 11,794,596 | 14,686,566 |

Segment expenses:

| | Sugar Division | | | Ethanol Division | | | Total | | | | | |
|----------------------------------|--------------------|---------------|--------------------------|--------------------|---------------|--------------------------|--------------------|---------------|--------------------------|-------------|-------------|--------------|
| | Three month period | | Three month period ended | Three month period | | Three month period ended | Three month period | | Three month period ended | | | |
| | June 30, 2021 | June 30, 2020 | June 30, 2021 | June 30, 2021 | June 30, 2020 | June 30, 2021 | June 30, 2020 | June 30, 2021 | June 30, 2020 | | | |
| Cost of sales | | | | | | | | | | | | |
| Cost of Sales | (3,666,683) | (4,871,318) | (7,261,559) | (9,980,768) | (950,760) | (1,334,021) | (2,154,129) | (2,252,774) | (4,617,443) | (6,205,339) | (9,415,688) | (11,233,542) |
| less: Intersegment cost | - | - | - | - | (74,478) | 100,253 | (693,670) | (467,938) | (74,478) | 100,253 | (693,670) | (467,938) |
| Gross profit | 688,031 | 1,393,324 | 1,133,971 | 2,385,496 | 109,628 | 336,628 | 548,810 | 599,590 | 797,659 | 1,729,952 | 1,685,238 | 2,985,086 |
| Selling and distribution expense | (3,428) | (128,323) | (16,032) | (160,328) | (109,691) | (118,741) | (346,692) | (393,617) | (113,119) | (247,064) | (362,724) | (553,943) |
| Administrative expense | (128,973) | (147,867) | (401,834) | (406,956) | (14,182) | (15,742) | (44,965) | (42,246) | (143,155) | (163,609) | (446,799) | (449,202) |
| Others | - | - | - | - | - | - | - | - | (17,246) | (3,073) | (51,401) | (12,094) |
| Profit from operations | 555,630 | 1,117,134 | 716,105 | 1,818,214 | (14,245) | 202,145 | 157,153 | 163,727 | 524,139 | 1,316,206 | 824,314 | 1,969,847 |
| Other income | 4,237 | 30,694 | 44,502 | 55,608 | 1,080 | 1,330 | 2,968 | 2,429 | 5,317 | 32,024 | 47,470 | 58,037 |
| Other expenses | (14,865) | (52,359) | (11,772) | (70,692) | - | (14,944,00) | (15,257) | (14,944,00) | (14,865) | (67,303) | (27,029) | (85,636) |
| | (10,628) | (21,665) | 32,730 | (15,084) | 1,080 | (13,614) | (12,289) | (12,515) | (9,548) | (35,279) | 20,441 | (27,599) |
| Segment results | 545,002 | 1,095,469 | 748,835 | 1,803,129 | (13,165) | 188,531 | 144,864 | 151,212 | 514,591 | 1,280,927 | 844,755 | 1,942,248 |
| Finance cost | | | | | | | | | (212,218) | (253,748) | (570,750) | (702,178) |
| Profit before tax | | | | | | | | | 302,373 | 1,027,179 | 274,005 | 1,240,070 |
| Taxation | | | | | | | | | (85,323) | (86,739) | (137,733) | (121,765) |
| Profit for the period | | | | | | | | | 217,050 | 940,440 | 136,272 | 1,118,305 |

Segment assets and liabilities

| | Un-audited | | Audited | |
|-------------------------------------|----------------------|-------------|----------------------|-------------|
| | June 30, 2021 | | September 30, 2020 | |
| | (Rupees in thousand) | | (Rupees in thousand) | |
| | Assets | Liabilities | Assets | Liabilities |
| Sugar | 12,796,479 | 6,892,772 | 9,318,606 | 2,395,920 |
| Ethanol | 5,616,609 | 2,338,952 | 5,571,354 | 3,088,321 |
| Total for reportable segment | 18,413,088 | 9,231,724 | 14,889,960 | 5,484,241 |
| Others | 585,467 | 2,103,937 | 243,994 | 1,979,631 |
| Entity's total assets / liabilities | 18,998,555 | 11,335,661 | 15,133,954 | 7,463,872 |

26. Transactions with related parties

26.1 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 related parties during the period were as follows:

| | Un-audited | |
|-------------------------------------------------------|---------------------------------|---------------|
| | Nine months ended June 30, 2021 | June 30, 2020 |
| | (Rupees in thousand) | |
| The Holding Company | | |
| Associated Companies | | |
| Rental income | 5,206 | 5,033 |
| Dividend received | 0 | 229 |
| CSML | | |
| Associated undertakings: | | |
| Services | 22,903 | 22,036 |
| Expenses paid by associated companies | 1,283 | 2,843 |
| Purchase of goods | 90,928 | 173,131 |
| Expenses paid on behalf of associated companies | 82,411 | 109,878 |
| Dividend paid | 26,804 | 26,804 |
| Mark-up charged | 14,290 | 0 |
| Post employment benefit | | |
| Expense charged in respect of retirement benefit plan | 2,583 | 2,344 |
| Key management personnel / Directors | | |
| Salaries and other benefits | 92,330 | 98,153 |
| Dividend paid | 14,741 | 12,976 |

27. Impact of COVID - 19 on consolidated condensed interim financial statements

The spread of Covid-19 as a pandemic and consequent imposition of lock down by Federal and Provincial Governments of Pakistan (Authorities) caused an overall economic slow down and disruption to various businesses. While this is still an evolving situation at the time of issuing these condensed consolidated interim financial statements, the management believes that to date no significant accounting impact is attracted on the amounts being reported in these consolidated condensed interim financial statements; however, the future effects cannot be predicted. Management will continue to monitor the potential impact and will take all steps possible to mitigate any effect.

28. Corresponding figures

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 these condensed interim consolidated financial statements.

29. Date of authorisation for issue

These condensed interim consolidated financial statements have been authorised for issue by the Board of Directors of the Holding Company on July 28, 2021.



Director



Director



Chief Financial Officer