



# CHASHMA SUGAR MILLS LIMITED

CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE HALF YEAR ENDED  
MARCH 31, 2024

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**CHASHMA SUGAR MILLS LIMITED**  
KING'S ARCADE, 20-A, MARKAZ F-7,  
ISLAMABAD - PAKISTAN  
TEL: 051-2650805-7

## CHASHMA SUGAR MILLS LIMITED

### COMPANY INFORMATION

#### Board of Directors

Begum Laila Sarfaraz	Chief Executive
Mr. Abbas Sarfaraz Khan	Chairman
Ms. Zarmine Sarfaraz	Director
Mr. Iskander M. Khan	Director
Ms. Mehnaz Saigol	Director
Ms. Samia Liaquat Ali Khan	Independent Director
Mr. Feisal Kemal Khan	Independent Director

#### Company Secretary

Mr. Mujahid Bashir

#### Chief Financial Officer

Mr. Rizwan Ullah Khan

#### Head of Internal Audit

Mr. Zaheer Mir

#### Auditors

M/s. A.F Ferguson & Co.

Chartered Accountants

#### Tax Consultants

M/s. ShineWing Hameed Chaudhri & Co.,

Chartered Accountants

#### Legal Advisor

Mr. Tariq Mehmood Khokhar

Barrister-at-Law, Advocate

#### Shares Registrar

M/s. Hameed Majeed Associates (Pvt.) Limited,

H.M. House, 7-Bank Square, Lahore.

Phone No. : 042-37235081 Fax No. : 042-37235083

#### Bankers

Bank Al-Habib Limited	Habib Bank Limited
The Bank of Khyber	National Bank of Pakistan
MCB Bank Limited	Sonari Bank Limited
The Bank of Punjab	Askari Bank Limited
Bank Al-Falah Limited	United Bank Limited
Dubai Islamic Bank Limited	Meezan Bank Limited
Al-Baraka Bank (Pakistan) Limited	Allied Bank Limited
Habib Metropolitan Bank Limited	Samba Bank Limited

## CHASHMA SUGAR MILLS LIMITED

### DIRECTORS' REVIEW REPORT

The Board of Directors is pleased to present the un-audited condensed interim financial information of the Company for the six months' period ended on March 31, 2024. This condensed 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 Listed Companies (Code of Corporate Governance) Regulations, 2019. The enclosed financial information is un-audited and have been reviewed by the external auditors as required by the Code of Corporate Governance.

#### Operational Highlights

	March 2024	March 2023
Date of Crushing Started	November 27, 2023	November 28, 2022
Date of Crushing Closed	March 6, 2024	March 14, 2023
Crushing - M. Tons	1,726,610	1,963,196
Sucrose Recovery	9.94%	10.8%
Sugar Production - M. Tons	171,591	211,871
Ethanol Fuel Plant Production-M. Tons	17,538	17,499

The Provincial Government of Khyber Pakhtunkhwa (KPK) fixed sugarcane price @ Rs. 400/- per 40KG.

#### FINANCIAL PERFORMANCE

The Company earned Rs. 44.752 million Profit after taxation (2023: 585.897) during the half year ended on March 31, 2024. The main reason for the reduction in profit during 2024 is the substantial increase in finance costs. The finance costs nearly doubled compared to the previous year, significantly impacting the Company's profitability.

#### FUTURE PROSPECTS & ECONOMICAL CHALLENGES

The major impact on profitability for the remaining two quarters will depend significantly on the future pricing of sugar. Currently, Pakistan's domestic sugar prices are almost half of the world prices, as many countries protect their sugar industries, resulting in higher domestic prices. This makes sugar in Pakistan one of the cheapest in the world. Given that sugarcane prices have been increasing by 20-25% annually over the past few years, it is logical that sugar prices should also rise similarly. It is essential for sugarcane prices to continue increasing to prevent farmers from switching to other crops, as sugarcane is already planted on less than 5% of the country's agricultural land. Government needs to stabilize sugar prices by taking various measures to reduce the gap between imported and local sugar prices, so that growers can get better prices of their produce according to the international prices of the commodity and sugar industry can make reasonable profits.

#### INVESTMENT/FUTURE DEVELOPMENT

In the meeting held on March 15, 2024, the Board of Directors approved the incorporation of a new subsidiary, Company namely, "Premier Grain Ethanol Limited", for the production and sale of ethanol and related products derived from grains. In the Extraordinary General Meeting held on April 19, 2024, the shareholders unanimously authorized the incorporation of "Premier Grain Ethanol Limited." They also approved subscribing to 77% of "Premier Grain Ethanol Limited's" ordinary shares of Rs. 10 each and agreed to further subscribe the any right shares offered by "Premier Grain Ethanol Limited."

#### ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this half-yearly 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 and valuable staff of our Bankers.

ON BEHALF OF THE BOARD



(BEGUM LAILA SARFARAZ)  
Chief Executive



(ISKANDER M. KHAN)  
Director

Mardan:  
May 27, 2024

## چشمہ شوگر ملز لمیٹڈ ڈائریکٹرز کی جائزہ رپورٹ

بورڈ آف ڈائریکٹرز کو خوشی ہے کہ وہ کمپنی کی بغیر آڈٹ شدہ عارضی مالیاتی معلومات پیش کرتے ہیں جو 31 مارچ 2024 کو ختم ہونے والی چھ ماہ کی مدت کے لیے ہے۔ یہ عارضی مالیاتی معلومات کمپنی کے شیئر ہولڈرز کو پیش کی جارہی ہے۔ بین الاقوامی اکاؤنٹنگ سٹینڈرڈ نمبر 34 "عارضی مالیاتی رپورٹنگ" کا رپورٹ گورننس کا ضابطہ، کمپنیز ایکٹ، 2017 کے سیکشن 237 کے تحت اور سٹنڈرڈ کمپنیز (کارپوریٹ گورننس کا ضابطہ) ریگولیشنز، 2019 کے مطابق۔ شامل کردہ مالیاتی معلومات بغیر آڈٹ شدہ ہے اور عیبیا کہ کارپوریٹ گورننس کے ضابطے میں مطلوب ہے، بہرونی آڈیٹرز نے اس کا جائزہ لیا ہے۔

### اپریشنل جھلکیاں

اپریشنل جھلکیاں	مارچ 2024	مارچ 2023
کرٹف کی شرحات	نمبر 27 2023	نمبر 28 2022
کرٹف کی فائز	6 مارچ 2024	14 مارچ 2023
کرٹف - میزک ٹن	1,726,610	1,963,196
شوگر کی بازیافت	9.94%	10.8%
شوگر کی پیداوار - میزک ٹن	171,591	211,871
تعمول ٹنوں پائمنٹ کی پیداوار - میزک ٹن	17,638	17,499

## مالیاتی کارکردگی

کمپنی نے 31 مارچ 2024 کو ختم ہونے والے نصف سال کے دوران 44.752 ملین روپے بعد از ٹیکس منافع کمایا (2023: 585.897 ملین)۔ 2024 میں منافع میں کمی کی بنیادی وجہ فنانس کی لاگت میں زبردست اضافہ ہے۔ پچھلے سال کے مقابلے میں فنانس کی لاگت تقریباً دو گنی ہو گئی، جس نے کمپنی کی منافع کو کافی متاثر کیا۔

## سرمایہ کاری / مستقبل کی ترقی

سرمایہ کاری / مستقبل کی ترقی مارچ 15, 2024 کو منصفہ اجلاس میں بورڈ آف ڈائریکٹرز نے "پری بیسگر گرین ہتھنول لمیٹڈ" کے نام سے ایک نئی ذیلی کمپنی کے قیام کی منظوری دی، جس کا مقصد اناج سے ہتھنول اور متعلقہ مصنوعات کی پیداوار اور فروخت ہے۔ 19 اپریل 2024 کو منصفہ غیر معمولی جنرل میٹنگ میں شیئر ہولڈرز نے منصفہ طور پر "پری بیسگر گرین ہتھنول لمیٹڈ" کے قیام کی منظوری دی۔ انہوں نے "پری بیسگر گرین ہتھنول لمیٹڈ" کے 77% عام حصص کی خریداری کی بھی منظوری دی اور "پری بیسگر گرین ہتھنول لمیٹڈ" کی جانب سے پیش کیے جانے والے کسی بھی حق حصص کو مزید خریدنے پر بھی اتفاق کیا۔

## اکاؤنٹنگ پالیسیز

اس مارجنی مالیاتی معلومات کی تیاری میں اپنائی گئی اکاؤنٹنگ پالیسیاں وہی ہیں جو کمپنی کی پچھلی سالانہ مالیاتی بیانات کی تیاری میں اپنائی گئی تھیں۔

شکر ہے

ڈائریکٹرز کمپنی کے تمام سطحوں پر عملے کی محنت کی قدر کرتے ہیں اور ہمارے پیٹکروں کے جیتی عملے کی بھی۔

منجانب بورڈ

مردان  
27 مئی 2024 تاریخ

اسکندر محمد خان  
ڈائریکٹر

سیدہ حفصہ  
ٹیگم ایڈ سرقرآن  
چیف ایگزیکٹو



**A.F. FERGUSON & CO.**  
**INDEPENDENT AUDITOR'S REVIEW REPORT**  
**TO THE MEMBERS OF CHASHMA SUGAR MILLS LIMITED**  
**REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS**

**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of Chashma Sugar Mills Limited (the Company) as at March 31, 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three-month period ended March 31, 2024 and 2023 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended March 31, 2024.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Asim Masood Iqbal.

*Asim Masood Iqbal*

A.F. Ferguson & Co.  
 Chartered Accountants  
 Islamabad:  
 May 29, 2024

UDIN: RR202410053g6sxBScw0

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

	Note	Un-audited March 31, 2024	Audited September 30, 2023	Restated
(Rupees in thousand)				
<b>NON CURRENT ASSETS</b>				
Property, plant and equipment	5	19,733,945	20,371,132	
Right-of-use assets	6	307,425	296,124	
Long term investment	7	1,163,357	638,357	
Long term loans and deposits	8	296,255	283,936	
		<u>21,500,982</u>	<u>21,589,549</u>	
<b>CURRENT ASSETS</b>				
Stores and spares	9	809,961	841,710	
Stock-in-trade	10	21,449,003	5,177,676	
Trade debts	11	226,124	1,214,104	
Loans and advances	12	3,454,121	1,742,423	
Trade deposits and other receivables		182,739	200,991	
Income tax refundable		222,049	122,222	
Cash and bank balances		612,466	811,313	
		<u>26,956,463</u>	<u>10,110,439</u>	
		<u>48,457,445</u>	<u>31,699,988</u>	
<b>TOTAL ASSETS</b>				
<b>SHARE CAPITAL AND RESERVES</b>				
Authorised capital		500,000	500,000	
Issued, subscribed and paid-up capital	14	286,920	286,920	
General reserve		327,000	327,000	
Surplus on revaluation of property, plant and equipment		7,844,183	8,148,726	
Unappropriated profits		6,593,197	5,775,450	
Shareholders' equity		<u>15,051,300</u>	<u>14,538,096</u>	
<b>NON-CURRENT LIABILITIES</b>				
Long term finances - secured	15	2,540,094	3,261,715	
Loans from related parties - secured	16	105,611	131,854	
Lease liabilities	17	134,668	140,314	
Deferred liabilities				
- Deferred taxation		2,737,085	3,472,814	
- Provision for gratuity		22,042	19,965	
- Deferred government grant		38,150	76,280	
		<u>2,797,277</u>	<u>3,569,059</u>	
		<u>5,577,650</u>	<u>7,102,942</u>	
<b>CURRENT LIABILITIES</b>				
Trade and other payables	18	4,610,508	3,375,789	
Unclaimed dividend		14,156	14,572	
Unpaid dividend		2,000	-	
Short term running finance - secured	19	21,407,432	4,871,003	
Current maturity of non-current liabilities	20	1,703,376	1,581,737	
Provision for tax levies - net		91,023	215,849	
		<u>27,828,495</u>	<u>10,058,950</u>	
		<u>33,406,145</u>	<u>17,161,892</u>	
<b>TOTAL LIABILITIES</b>	21			
Contingencies and commitments				
		<u>48,457,445</u>	<u>31,699,988</u>	

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.



*Asim Masood Iqbal*

**CHIEF FINANCIAL OFFICER**      **CHIEF EXECUTIVE**      **DIRECTOR**

## CHASHMA SUGAR MILLS LIMITED

### CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED MARCH 31, 2024

Note	Three month period ended March 31, 2024	Six month period ended March 31, 2024	Six month period ended March 31, 2023 Restated
		(Rupees in thousand)	
22	6,397,183	13,390,685	12,561,591
23	(726,300)	(1,452,801)	(1,217,601)
	5,670,883	7,915,136	11,937,884
	(4,698,966)	(5,922,334)	(8,649,005)
	971,917	1,992,802	2,694,985
	(230,271)	(340,128)	(474,788)
	(298,444)	(254,984)	(486,476)
	-	(34,128)	(34,128)
	92,540	69,762	166,384
	44,061	(39,825)	(45,580)
	579,803	1,393,499	1,730,262
	(1,257,695)	(703,687)	(1,015,823)
	(677,892)	689,812	714,439
	(17,599)	(33,021)	(44,796)
	(695,491)	656,791	669,643
	55,189	(107,687)	(137,628)
	-	(41,938)	(41,938)
	137,128	33,626	95,820
	192,317	(115,999)	(83,746)
	(503,174)	540,792	585,897
	(17,54)	18,85	20,42

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.

 **CHIEF FINANCIAL OFFICER**       **DIRECTOR**

## CHASHMA SUGAR MILLS LIMITED

### CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED MARCH 31, 2024

	Three month period ended March 31, 2024	Six month period ended March 31, 2024	Six month period ended March 31, 2023 Restated
		(Rupees in thousand)	
Profit / (Loss) for the period	(503,173)	540,792	585,897
Other comprehensive income / (loss)	-	-	-
Surplus on revaluation of Property, plant and equipment	-	-	-
Add: Deferred tax on surplus on revaluation of property, plant and equipment	611,912	611,912	-
	611,912	611,912	-
Total comprehensive income for the period	108,739	656,664	585,897

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.

 **CHIEF FINANCIAL OFFICER**       **DIRECTOR**

## CHASHMA SUGAR MILLS LIMITED

### CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED MARCH 31, 2024

	Share capital	General reserve	Surplus on revaluation of property, plant and equipment (Rupees in thousand)	Unappropriated profits	Total
<b>Balance as at October 1, 2022</b>	286,920	327,000	6,934,478	3,587,555	11,115,953
Total comprehensive income for the six month period ended March 31, 2023	-	-	-	585,897	585,897
Profit for the period	-	-	-	585,897	585,897
Other comprehensive income for the period	-	-	-	-	-
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)	-	-	(261,796)	261,796	-
<b>Balance as at March 31, 2023</b>	286,920	327,000	6,672,682	4,415,246	11,701,850
Total comprehensive income for the six month period ended September 30, 2023	-	-	-	1,113,242	1,113,242
Profit for the period	-	-	-	1,724,624	1,723,004
Other comprehensive income for the period	-	-	1,724,624	1,111,622	2,836,246
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)	-	-	(248,560)	248,560	-
<b>Balance as at September 30, 2023</b>	286,920	327,000	8,148,726	5,775,450	14,538,096
Total comprehensive income for the six month period ended March 31, 2024	-	-	-	44,752	44,752
Profit for the period	-	-	-	611,912	611,912.00
Other comprehensive income for the period	-	-	-	656,664	656,664
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)	-	-	(304,543)	304,543	-
Cash dividend at the rate of Rs 5.00 per ordinary share for the year ended September 30, 2023	-	-	-	(143,460)	(143,460)
<b>Balance as at March 31, 2024</b>	286,920	327,000	7,844,183	6,593,197	15,051,300

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.

  
CHIEF FINANCIAL OFFICER

  
CHIEF EXECUTIVE

DIRECTOR

## CHASHMA SUGAR MILLS LIMITED

### CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED MARCH 31, 2024

	Six month period ended March 31, 2024	March 31, 2023	Restated
<b>Cash flow from operating activities</b>			
Profit for the period - before taxation	(25,398)	669,643	669,643
Adjustments:			
Depreciation	802,415	666,097	666,097
Impairment losses on financial assets	-	34,128	34,128
Gain on sale of operating fixed assets	(8,400)	(60)	(60)
Profit on deposit accounts	(2,110)	(6,643)	(6,643)
Mark-up earned on term depositary receipts	(42,507)	-	-
Mark-up income on loan to a related party	(53,968)	-	-
Finance cost	1,934,952	1,015,823	1,015,823
Provision for gratuity	4,139	2,786	2,786
Final taxes - levy	40,068	44,796	44,796
	2,649,200	2,426,570	2,426,570

#### Changes in working capital

Decrease / (Increase) in stores and spares stock-in-trade	31,749	(261,802)
trade debts	(16,271,327)	(10,252,678)
loans and advances	949,516	(1,682,253)
trade deposits and other receivables	(1,711,698)	(460,423)
Long term loan and deposit	18,252	(13,881)
Increase in trade and other payables	(200)	-
	1,234,719	3,064,014
	(15,748,988)	(9,607,023)
	(13,099,788)	(7,180,453)
	(318,388)	(114,473)
	(2,062)	(254)
	(13,420,238)	(7,295,180)

#### Income taxes and levies paid

Gratuity paid	(157,345)	(860,304)
	30,473	227
	(625,000)	(245,000)
	2,110	6,643
	42,507	-
	53,958	-
	(653,297)	(1,098,434)

#### Net cash used in operating activities

<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	3,216,253	2,050,000
Sale proceeds of operating fixed assets	(15,618)	(15,618)
Increase in long term investment	(73,826)	(73,354)
Profit on bank deposits received	(141,876)	(10)
Mark-up earned on term depositary receipts	(1,267,787)	(775,431)
Profits on term finance certificates	1,105,415	1,639,646
	(12,868,120)	(6,753,968)
	(2,610,917)	(2,389,042)
	(15,479,037)	(9,143,010)

#### Net cash used in investing activities

<b>Cash flow from financing activities</b>		
Long term finances received	(611,731)	454,059
Short term loan received	3,216,253	2,050,000
Loan repaid to related party	(15,618)	(15,618)
Lease obligation repaid	(73,826)	(73,354)
Dividend paid	(141,876)	(10)
Finance cost paid	(1,267,787)	(775,431)
	1,105,415	1,639,646
	(12,868,120)	(6,753,968)
	(2,610,917)	(2,389,042)
	(15,479,037)	(9,143,010)

#### Net cash generated in financing activities

<b>Net decrease in cash and cash equivalents</b>	13	397,259
<b>Cash and cash equivalents - at beginning of the period</b>	19	(9,540,269)
<b>Cash and cash equivalents - at end of the period</b>	-	(9,143,010)
<b>Cash and cash equivalents comprised of:</b>		
Cash and bank balances	13	158,466
Short term running finance - secured	19	(9,540,269)
	-	(9,143,010)

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.

  
CHIEF FINANCIAL OFFICER

  
CHIEF EXECUTIVE

DIRECTOR

## CHASHMA SUGAR MILLS LIMITED

### NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED MARCH 31, 2024

#### 1. Legal status and operations

1.1 Chashma Sugar Mills Limited (the Company) was incorporated in Pakistan on May 5, 1988 as a public limited company, under the repealed Companies Ordinance, 1984 (repeated upon enactment of the Companies Act, 2017) and commenced its commercial production from October 1, 1992. The Company has its shares quoted on the Pakistan Stock Exchange Limited. The Company is principally engaged in manufacturing, production, processing, compounding, preparation and sale of sugar, other allied compounds, intermediates and allied products. The Company is a subsidiary of The Premier Sugar Mills and Distillery Company Limited. The head office of the Company is situated at King's Arcade, 20-A, Markaz F-7, Islamabad and its manufacturing facilities are located at Dera Ismail Khan, Khyber Pakhtunkhwa.

1.2 The shareholders in the EOGM held on April 19, 2024 have approved to incorporate a subsidiary in the name of "Premier Grain Ethanol Limited" for manufacturing, production, formulation, extraction, treatment, blending, refining, purification, distillation, fermentation, reduction, dehydration, rectification, preparation, processing, and sale of various types and grades of Ethanol as well as related products/ by products derived from grains as raw material by acquiring 77% holding in "Premier Grain Ethanol Limited". Subsequent to the year end, The subsidiary has been incorporated on April 17, 2024.

#### 2. Statement of compliance

These condensed interim financial statements for six month period ended March 31, 2024 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.

The disclosures in this condensed interim financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended September 30, 2023.

#### 3. Significant accounting policies

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the audited financial statements for the year ended September 30, 2023, except as outlined below.

#### 3.1 Accounting guidance issued by ICAP on Accounting for minimum taxes and final taxes

Institute of Chartered Accountant of Pakistan (ICAP) issued a guidance "Application guidance on accounting for minimum taxes and final taxes" through Circular No. 07/2024 dated May 15, 2024. In light of the said guidance, as the minimum taxes and final taxes are not calculated on the 'taxable profit' as defined in IAS 12 but calculated on turnover or other basis (as per relevant sections of the Income Tax Ordinance, 2001 (ITO, 2001)), accordingly minimum taxes and final taxes should be accounted for under IAS 37/IFRIC 21 as levies [through these are charged under tax law] and not under IAS 12 as income taxes. Based on the guidance, the minimum taxes under ITO 2001 are hybrid taxes which comprise of a component within the scope of IAS 12 (Income Tax) and a component within the scope of IFRIC 21 (Levies).

The aforesaid guidance has been applied retrospectively by the Company and the comparative information has been restated, which has not affected current period or prior years' net sales, profit after taxes and levies, equity and cash flows. Impact as of October 1, 2022 is not material to the financial statements. In accordance with requirements of IAS 1 "Presentation of Financial Statements", the balances as at September 30, 2023 have been restated and third statement of financial position as of October 1, 2022 has not been presented due to immaterial impact. The effects of the restatement are summarized in note 3.2 below:

#### 3.2 The following tables present the impacts of restatements as explained in note 3.1 above:

	Balances before restatement	Impact	Restated
--	-----------------------------	--------	----------

#### 3.2.1 Statement of financial position

September 30, 2023	(Rupees in thousand)
Current assets	
Income tax refundable	122,222
Current liabilities	
Provision for taxation - net	(93,627)
Provision for tax levies - net	215,849
	122,222
	215,849

#### 3.2.2 Statement of profit or loss

In the statement of profit or loss, the minimum tax and final tax previously presented as income taxes have now been reclassified as "final taxes - levy" under IAS 37 / IFRIC 21 amounting to Rs 44,796 thousand for the six month period ended March 31, 2023.

#### 4. Seasonality of operations

Due to seasonal nature of sugar segment of the Company, operating results of the Company are expected to fluctuate in the last six months of the year in comparison with the first six months of the year.

#### 5. Property, plant and equipment

Operating fixed assets	5.1	18,755,141	18,853,151
Capital work-in-progress	5.2	978,804	1,517,981
		19,733,945	20,371,132

#### 5.1 Operating fixed assets - at net book value

Net book value at the beginning of the period / year	18,853,151	14,475,625
Revaluation adjustments during the period / year	-	2,567,400
Additions during the period / year	5.1.1	670,174
Transfers from right of use assets to owned		21,925
Disposals during the period / year		(22,073)
Depreciation charged for the period / year		(768,036)
		(20,574)
		(1,319,979)
Net book value at the end of the period / year	18,755,141	18,853,151

#### 5.1.1 Additions during the period / year

Leasehold land	-	2,722,248
Building and roads	614,235	79,122
Plant and machinery	13,962	271,725
Electric installations	6,440	23,989
Office equipment	13,717	13,624
Farm equipment	73	168
Furniture and fixtures	9,649	15,475
Vehicles	12,098	3,775
	670,174	3,130,126



	Un-audited March 31, 2024	Audited September 30, 2023
<b>5.2</b> Capital work-in-progress		
At the beginning of the period / year	1,517,981	3,541,099
Additions during the period / year	108,596	1,187,766
Capitalized during the period / year	(647,773)	(3,210,884)
Balance at the end of the period / year	<u>978,804</u>	<u>1,517,981</u>
<b>5.2.1</b> Additions during the period / year		
Land and building	21,595	244,536
Plant and machinery	6,662	730,401
Electric installations	18,220	100,623
Vehicles - owned	5,424	1,597
Vehicles - leased	42,195	108,609
Advance payments against land and buildings	14,500	2,000
	<u>108,596</u>	<u>1,187,766</u>
<b>6. Right of Use Assets</b>		
Net book value at the beginning of the period / year	296,124	283,515
Additions during the period / year	67,605	113,552
Remeasurement during the period / year	-	(9,365)
Transfers from right of use assets to owned	(21,925)	(20,552)
Depreciation charged for the period / year	(34,379)	(71,026)
Net book value at the end of the period / year	<u>307,425</u>	<u>296,124</u>
<b>7. Long term investment</b>		
Investment in shares of Whole Foods (Private) Limited (WFL) - at cost	100,000	100,000
10,000,000 (2023: 10,000,000) fully paid ordinary shares		
Investment in shares of Ultimate Whole Foods (Private) Limited (UWFL) - at cost	1,029,000	504,000
102,900,000 (2023: 50,400,000) fully paid ordinary shares		
Difference in fair value and present value on initial recognition of interest free loan to WFL	119,964	119,964
	<u>1,248,964</u>	<u>723,964</u>
Less : Impairment recognised on subsidiary - Whole Foods (Private) Limited	85,607	85,607
Balance as at end of the period / year	<u>1,163,357</u>	<u>638,357</u>
<b>8. Long term loans and deposits - considered good</b>		
Long term security deposits	15,284	15,084
Loan to subsidiary company - WFL - at amortized cost	280,971	268,852
	<u>296,255</u>	<u>283,936</u>

	Un-audited March 31, 2024	Audited September 30, 2023
<b>8.1</b> At the beginning of the period / year	268,852	246,220
Unwinding of interest on loan to subsidiary company	12,119	22,652
Balance as at end of the period / year	<u>280,971</u>	<u>268,852</u>
<b>9. Stock-in-trade</b>		
Finished goods	16,365,709	3,252,578
- Sugar	3,950,742	1,129,284
- Molasses	696,506	742,952
- Ethanol	415,772	36,569
- Bagasse	21,428,729	5,161,383
Work-in-process	20,274	16,293
	<u>21,449,003</u>	<u>5,177,676</u>
<b>9.1</b> Molasses and bagasse are used both for internal consumption as well as for sales to external parties.		
<b>9.2</b> Certain short term and long term borrowings of the Company are secured by way of collateral charge on stock-in-trade.		
<b>10. Trade debts - unsecured</b>		
Considered good	-	450
Due from related parties	226,124	1,213,654
Others	226,124	1,214,104
Considered doubtful	3,333	3,333
	<u>229,457</u>	<u>1,217,437</u>
Less: Loss allowance	(3,333)	(3,333)
	<u>226,124</u>	<u>1,214,104</u>
<b>11. Loans and advances</b>		
Advances to:		
Employees - secured	11,079	12,077
Suppliers and contractors - unsecured	2,982,563	1,025,502
	<u>2,993,642</u>	<u>1,037,579</u>
Due from related parties	489,138	723,431
Letters of credit - secured	1,084	11,156
	<u>3,483,864</u>	<u>1,772,166</u>
Less:		
- Provision for doubtful advances	(28,838)	(28,838)
- Loss allowance - Other parties	(905)	(905)
	<u>3,454,121</u>	<u>1,742,423</u>
<b>11.1</b> This represents amounts due from the associated companies:		
Due from holding company:	31,977	-
The Premier Sugar Mills and Distillery Company Limited		
Due from subsidiary company:	206,875	170,002
Whole Foods (Private) Limited		
Ultimate Whole Foods (Private) Limited	195,842	527,944
Short term loan	54,444	25,485
Mark up receivable	250,286	553,429
	<u>489,138</u>	<u>723,431</u>

11.2 This represents loan facility of Rs. 1,000 million for Ultimate Whole Foods Limited. The loan is unsecured and interest on this loan is charged at a lender's borrowing cost of 3 month KIBOR + 1.1% per year. The loan is repayable in one year extendable up to 5 years.

	Un-audited March 31, 2024	Audited September 30, 2023
<b>12. Trade deposits and other receivables</b>		
Deposits	2,500	2,500
Prepayments	3,633	9,304
Export subsidy receivable	305,519	305,519
Insurance claim receivable	13,741	33,746
Accrued mark-up on term deposit receipts	4,549	1,520
Others	8,579	4,184
	<u>338,521</u>	<u>356,773</u>
Less: Loss allowance	(155,782)	(155,782)
	<u>182,739</u>	<u>200,991</u>

**13. Bank balances that are included in cashflow are as follows:**

	Un-audited March 31, 2024	Un-audited September 30, 2023
Cash and bank balances	612,466	397,359
Bank balances under lien	(454,000)	-
	<u>158,466</u>	<u>397,359</u>

**14. Share Capital**

As at period end, the issued, subscribed and paid-up capital of the Company includes following share capital holdings by the related parties;

	Un-audited March 31, 2024	Un-audited September 30, 2023
Holding company	13,751,000	13,751,000
The Premier Sugar Mills & Distillery Company Limited		
Associated companies		
Azjak Enterprises (Private) Limited	1,487,359	1,477,359
Phipson & Co. Pakistan (Private) Limited	307,500	307,500
Syntronics Limited	3,590,475	3,590,475
	<u>19,146,334</u>	<u>19,126,334</u>

**15. Long term finances - secured**

Bank Al-Habib Limited	2,790,112	2,818,700
Soneri Bank Limited	221,426	332,139
Dubai Islamic Bank Pakistan Limited	-	250,000
MCB Bank Limited	-	139,237
Al-Baraka Bank Limited	390,425	445,493
United Bank Limited	421,875	450,000
Total	<u>3,823,838</u>	<u>4,435,569</u>
Accrued mark-up	210,289	245,132
	<u>4,034,127</u>	<u>4,680,701</u>
Less: amount payable within next 12 months	(1,283,744)	(1,173,854)
Principal	(210,289)	(245,132)
Accrued mark-up	2,540,094	3,261,715
Amount due after 12 months		

15.1 These represent term and demand finance obtained by the Company from the aforesaid banks and are repayable in 5-7 years with varied grace periods. The rate of mark-up ranges from KIBOR + 1% per annum to KIBOR + 1.75% per annum and SBP rate + 4%. These are secured against first / joint pari passu hypothecation charge over all present and future movable fixed assets of the Company along with first / joint pari passu charge by way of equitable on all present and future immovable fixed assets of the Company and TDR of Rs. 450 million with 25% margin. There is no material change in the terms and conditions of the long term loans as disclosed in note 18 to the annual audited financial statements of the Company as at September 30, 2023.

Un-audited  
March 31,  
2024

Audited  
September 30,  
2023

(Rupees in thousand)

**16. Loans from related parties - secured**

Associated companies		
Premier Board Mills Limited	37,472	46,840
Azjak International Investments Limited	25,000	31,250
Azjak Enterprises (Private) Limited	85,000	85,000
Accrued mark-up	<u>58,582</u>	<u>46,236</u>
	<u>206,054</u>	<u>209,326</u>
Less: amount payable within next 12 months		
Principal	(41,861)	(31,236)
Accrued mark-up	(58,582)	(46,236)
Amount due after 12 months	<u>105,611</u>	<u>131,854</u>

16.1 The long term finance facility has been renewed on November 4, 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. These loans are secured against promissory note from the Company.

16.2 The long term finance facility has been renewed on November 4, 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. These loans are secured against promissory note from the Company.

16.3 The long term finance facility has been renewed on January 3, 2022. The principal is repayable in 8 semi annual instalments commencing from December 2024. 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 Company.

**17. Lease liabilities**

Balance at beginning of the period / year	225,593	236,797
Additions during the period / year	41,257	99,874
Unwinding of interest on lease liabilities	26,236	43,479
Payments made during the period / year	(73,825)	(145,192)
Remeasurement of lease liabilities	-	(9,365)
Balance at end of the period / year	<u>219,260</u>	<u>225,583</u>
Less: current portion of long term lease liabilities	(84,592)	(85,279)
	<u>134,668</u>	<u>140,314</u>

**18. Trade and other payables**

Creditors		
Due to related parties	1,234,092	441,581
Accrued expenses	178,229	296,018
Retention money	91,923	135,498
Security deposits	19,579	20,288
Advance payments from customers - contract liabilities	1,299	1,299
Sales tax payable	2,708,853	1,957,552
In come tax deducted at source	186,665	246,710
Payable for workers' profit participation fund	64,891	85,466
Payable for workers' welfare fund	2,202	83,166
Payable to employees	41,357	30,258
Payable to provident fund	64,869	58,202
Others	6,809	8,459
	<u>9,741</u>	<u>11,292</u>
	<u>4,610,508</u>	<u>3,375,789</u>

	Un-Audited March 31, 2024	Audited September 30, 2023
20. Current maturity of non-current liabilities		
Long term finances	1,494,033	1,418,986
Loans from related parties	16	77,472
Lease liabilities	84,592	85,279
Government Grant	24,308	-
	<u>1,703,376</u>	<u>1,581,737</u>

Note

15  
16  
17

21. Contingencies and commitments

21.1 Contingencies

There has been no significant change in the status of contingencies as disclosed in note 25 to the audited financial statements of the Company for the year ended September 30, 2023.

21.2 Commitments

The Company has following commitments in respect of:

- foreign letter of credit for purchase of plant and machinery 8,104

- local letter of credit for purchase of plant and machinery 191,532

- capital expenditure other than for letters of credit 27,678

143,681

14,386

21.3 Corporate guarantees

The Company has issued bank guarantees in favour of its subsidiary UWFL amounting to Rs 1,583 million (2023: Rs. 667 million).

22. Gross sales

Three month period ended March 31, 2024

March 31, 2023

Six month period ended March 31, 2024

March 31, 2023

(Rupees in thousand)

4,637,245

5,445,521

9,383,846

8,082,019

1,759,938

3,302,130

4,006,639

4,479,572

6,397,183

8,747,651

13,390,685

12,561,591

23. Sales tax, other government levies and discounts

Indirect taxes 724,220

Discounts 2,080

3,859

1,448,305

4,496

1,452,801

1,217,601

24. Final taxes

This represents final taxes paid under section 154 of Income Tax Ordinance, 2001 (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

24.1 Reconciliation between current tax and levy:

Reconciliation of current tax charged as per tax laws for the year, with current tax recognized in the profit and loss accounts is as follows:

Current tax liability for the year as per applicable tax laws 37,590

(140,708)

(93,730)

(182,424)

Less:

Portion of current tax liability as per tax laws, representing income tax under IAS 12

(107,687)

(53,662)

(137,628)

Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37

(17,599)

(33,021)

(40,068)

(44,796)

Difference

-

-

-

24.2 Income tax refundable

The aggregate of minimum tax, final tax and income tax, amounting to Rs 131,026 thousand represents tax assets, (2023: Rs. 93,627 thousand represents tax liability) of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

	Un-audited March 31, 2024	Audited September 30, 2023
18.1 This represents amounts due to the following related parties and are interest free and payable on demand:		
Holding Company	40,885	150,161
The Premier Sugar Mills and Distillery Company Limited	-	733
Associated Companies	19,280	-
The Frontier Sugar Mills and Distillery Limited	-	55
Syntroon Limited	18,064	25,143
Phipson & Company Pakistan (Private) Limited	100,000	119,926
Azlaq Enterprises (Private) Limited	178,229	296,018
Directors		
	<u>178,229</u>	<u>296,018</u>

Note

18.1 This represents amounts due to the following related parties and are interest free and payable on demand:

Holding Company

The Premier Sugar Mills and Distillery Company Limited

Associated Companies

The Frontier Sugar Mills and Distillery Limited

Syntroon Limited

Phipson & Company Pakistan (Private) Limited

Azlaq Enterprises (Private) Limited

Directors

19. Short term running finance - secured

Cash / running finance 19.1

Export re finance 18.2

Accrued mark-up

2,968,230

4,740,148

1,523,895

20,377,651

4,492,125

1,029,781

378,878

21,407,432

4,871,003

19.1 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 KIBOR + 1% per annum to KIBOR + 2% per annum and SBP rate + 1.25% and are secured against pledge of sugar stock with margin ranging from 10% to 25%, lien on export contracts / LCs and import documents.

19.2 There is no material change in the terms and conditions of the short term running finance facilities as disclosed in note 23 to the annual audited financial statements of the Company as at September 30, 2023, except that the Company obtained and repaid certain loans, with details as follows:

- New short term finance facility was obtained from Askari Bank Limited amounting Rs. 700 million. The facility carries mark-up at 3-month KIBOR plus 1.25% per annum. The loan is secured against registered pledge / ownership of refined sugar bags at 15% margin amounting Rs. 823,529 million.

- New short term finance facility was obtained from Meezan Bank Limited amounting Rs. 500 million. The facility carries mark-up at 6-month KIBOR plus 1.20% per annum. The loan is secured against registered pledge / ownership of refined sugar bags at 15% margin.

- New short term finance facility was obtained from The Bank of Punjab Limited amounting Rs. 750 million. The facility carries mark-up at 3-month KIBOR plus 1.25% per annum. The loan is secured against registered pledge / ownership of refined sugar bags at 15% margin.

- New short term finance facility was obtained from Dubai Islamic Bank Limited amounting Rs. 400 million. The facility carries mark-up at 3-month KIBOR plus 1.25% per annum. The loan is secured against registered pledge / ownership of refined sugar bags at 15% margin.

- New short term finance facility was obtained from Bank Islami Limited amounting Rs. 500 million. The facility carries mark-up at relevant KIBOR plus 1.20% per annum. The loan is secured against lien over export LCI/ contract / export bills sent for collection. Joint pari passu charge over all present and future current assets of the company with 25% margin.

- New short term finance facility was obtained from United Bank Limited amounting Rs. 4,000 million. The facility carries mark-up at 1-month KIBOR plus 2% per annum. The loan is secured against registered pledge / ownership of refined sugar bags at 15% margin.

- New short term finance facility was obtained from United Bank Limited amounting Rs. 1,000 million. The facility carries mark-up at 1-month KIBOR plus 2% per annum. The loan is secured against first pari passu charge on current assets with 25% margin.

- New short term finance facility was obtained from The Bank of Khyber Limited amounting Rs. 250 million. The facility carries mark-up at 1-year KIBOR plus 1% per annum. The loan is secured against ranking charge of Rs. 335 million on current assets.

- Existing short term finance facility from United Bank Limited was enhanced from Rs. 400 million to Rs. 1,400 million.

- Existing short term finance facility from MCB Islamic Bank Limited was enhanced from Rs. 500 million to Rs. 750 million.

- Existing short term finance facility from Meezan Bank Limited was enhanced from Rs. 500 million to Rs. 800 million.

25.1 Segment assets and liabilities

	Un-audited March 31, 2024 (Rupees in thousand)		Audited September 30, 2023 (Rupees in thousand)	
	Assets	Liabilities	Assets	Liabilities
Sugar	38,520,059	26,668,015	24,332,650	14,839,078
Ethanol	9,937,386	6,481,696	7,367,338	1,942,447
Total for reportable segment	48,457,445	33,149,710	31,699,988	16,781,525
Others	-	256,435	-	380,367
Total assets / liabilities	48,457,445	33,406,145	31,699,988	17,161,892

26. Transactions with related parties

26.1 The Company has related party relationship, with its Holding Company, subsidiary companies and associated companies, its directors, key management personnel and employee benefit plan. The Company in the normal course of business carries out transactions with various related parties. There were no transactions with key management personnel other than under the terms of employment. Aggregate transactions with the related parties during the period were as follows:

	Three month period ended March 31, 2024		Six month period ended March 31, 2024		Six month period ended March 31, 2023	
	(Rupees in thousand)		(Rupees in thousand)		(Rupees in thousand)	
<b>Holding Company</b>						
Sale of store items	3,449	13,006	3,503	21,125	-	-
Advance paid against purchase of building	10,000	-	10,000	-	-	-
Sale of baggage	-	2,428	-	2,428	-	2,428
Purchase of store items	-	2,546	-	2,546	-	2,546
Expenses paid by Holding Company	1,151	2,779	2,149	3,671	-	-
Expenses paid on behalf of Holding Company	23,937	44,805	31,025	81,687	-	-
Rent income	29	29	58	58	-	-
Dividend paid	68,755	-	68,755	-	-	-
Advances paid against purchase of molasses	-	116,000	-	116,900	-	-
<b>Subsidiary Companies</b>						
Investment in subsidiaries	525,000	150,000	525,000	245,000	-	-
Expenses paid by the company	106,668	81,647	202,401	85,444	-	-
Mark-up charged by the company	24,039	-	53,958	-	-	-
<b>Associated undertakings</b>						
Services	13,286	9,170	26,522	18,333	-	-
Expenses paid by associated companies	285	-	1,293	404	-	-
Purchase of goods	6,989	131,231	220,513	256,941	-	-
Dividend paid	26,977	-	26,977	-	-	-
Mark-up charged	8,582	8,401	17,922	16,502	-	-
<b>Post employment benefit</b>						
Expense charged in respect of retirement benefit plan	10,047	8,065	19,543	15,586	-	-
<b>Key management personnel / Directors</b>						
Salaries and other benefits	42,954	43,031	114,166	90,514	-	-
Dividend paid	28,721	-	28,721	-	-	-

25. Segment operating results for the six month period ended March 31, 2024 (Un-audited)

	Six month period ended March 31, 2024		Six month period ended March 31, 2023	
	Rupees in thousand		Rupees in thousand	
<b>Sugar Division</b>				
Three month period ended March 31, 2024	4,243,676	6,239,003	8,858,742	8,869,933
Three month period ended March 31, 2023	(3,522,905)	(6,035,174)	(6,613,926)	(7,576,808)
<b>Ethanol Division</b>				
Three month period ended March 31, 2024	4,142,608	6,089,915	8,362,625	2,093,471
Three month period ended March 31, 2023	(3,522,905)	(6,035,174)	(6,613,926)	(7,576,808)
<b>Total</b>	700,770	2,203,828	2,244,817	(1,706,683)
Less: sales tax & others	(666,264)	(808,273)	(1,372,700)	(1,166,541)
Less: inter-segment sales - net	4,808,872	6,898,188	9,772,447	9,972,447
Segment expenses:	(565,196)	659,185	876,583	1,281,514
- Inter-segment	4,243,676	6,239,003	8,858,742	8,869,933
- External Customers	565,196	659,185	876,583	1,281,514
Cost of Sales	(6,035,174)	(6,035,174)	(6,613,926)	(7,576,808)
Less: inter segment cost	-	-	-	-
Gross profit	619,703	1,054,741	1,748,699	1,229,096
Selling and distribution expenses	(124,852)	(27,439)	(134,250)	(213,641)
Administrative and general expenses	(213,035)	(184,588)	(345,595)	(65,409)
Net impairment losses on financial assets	(34,128)	(34,128)	(34,128)	(34,128)
Profit from operations	390,039	711,173	1,296,504	715,125
Other income	89,705	68,174	162,456	73,598
Other expenses - net	(44,061)	(39,825)	(45,580)	(45,580)
Segment results	523,804	739,522	1,448,842	743,143
Finance cost	(1,257,695)	(703,687)	(1,934,952)	(1,015,823)
Profit / (Loss) before revenue tax and income tax	(677,892)	69,812	(1,470)	14,670
Final taxes - levy	(17,599)	(33,021)	(40,068)	(44,796)
Profit / (Loss) before income tax	(695,491)	656,791	(1,514,020)	(71,126)
Taxation	192,317	(115,999)	70,150	(83,746)
Profit / (loss) for the period	(503,174)	540,792	(1,443,870)	(151,876)

**27. FINANCIAL RISK MANAGEMENT**

**Financial risk factors**

The Company's activities expose it to variety of financial risk namely market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

There have been no changes in the financial risk management policies of the Company during the period, consequently these condensed interim financial statements do not include all the financial risk management information and disclosures required in the annual financial

**Fair value estimation**

All financial assets and financial liabilities are initially recognised at fair value of the consideration paid or received, net of transaction costs as appropriate. The carrying values of financial assets and financial liabilities of the Company not carried at fair value is a reasonable approximation of their fair values.

**Fair value hierarchy**

Certain property, plant and equipment of the Company was valued by independent valuer to determine the fair value of property, plant and equipment as at September 30, 2023. The revaluation surplus was credited to other comprehensive income and is shown as 'surplus on revaluation of property, plant and equipment'. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Level 2 fair value of certain property, plant and equipment has been derived using the comparison approach. Sales prices of comparable property, plant and equipment in identical circumstances or close proximity are adjusted for differences in key attributes such as property size, structure, location, capacity etc. The most significant inputs into this valuation approach are price per marla, price per square feet, depreciated replacement cost etc.

**28. General**

Figures in these condensed interim financial statements have been rounded-off to the nearest thousand Rupees.

**29. Date of authorisation for issue**

These condensed interim financial statements were authorised for circulation to the shareholders by the Board of Directors of the Company on May 27, 2024.



**CHIEF FINANCIAL OFFICER**



**DIRECTOR**



# CHASHMA SUGAR MILLS LIMITED

**CONSOLIDATED CONDENSED INTERIM  
FINANCIAL INFORMATION  
FOR THE HALF YEAR ENDED  
MARCH 31, 2024**

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

	Note	Un-audited March 31, 2024	Audited September 30, 2023
(Rupees in thousand)			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	6	23,516,615	23,783,471
Right-of-use assets	7	363,687	322,672
Long term deposits		15,284	15,084
Deferred tax asset		39,073	10,100
		<u>23,934,659</u>	<u>24,131,327</u>
<b>CURRENT ASSETS</b>			
Stores and spares		839,043	842,019
Stock-in-trade	8	22,505,307	5,378,443
Trade debts	9	349,134	1,214,104
Loans and advances	10	3,001,032	1,022,562
Trade deposits and other receivables	11	211,468	226,809
Income tax refundable		283,958	59,730
Cash and bank balances		628,957	822,656
		<u>27,818,899</u>	<u>9,566,323</u>
		<u>51,753,558</u>	<u>33,697,650</u>
<b>TOTAL ASSETS</b>			
<b>SHARE CAPITAL AND RESERVES</b>		<u>500,000</u>	<u>500,000</u>
Authorised capital			
Issued, subscribed and paid-up capital	12	286,920	286,920
General reserve		327,000	327,000
Unappropriated profits		6,111,922	5,426,972
Surplus on revaluation of property, plant and equipment		8,067,641	8,382,950
Equity attributable to owners of the parent company		<u>14,793,483</u>	<u>14,423,842</u>
Non-controlling interest		170,274	181,631
		<u>14,963,757</u>	<u>14,605,473</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term finances - secured	13	4,199,348	4,673,542
Loans from related parties - secured	14	130,611	163,064
Lease liabilities	15	175,011	157,994
Deferred Liabilities			
- Deferred taxation		2,880,894	3,620,702
- Provision for gratuity		22,042	19,965
- Deferred government grant		38,150	76,280
		<u>2,941,086</u>	<u>3,716,947</u>
		<u>7,446,056</u>	<u>8,711,547</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	16	4,866,291	3,500,977
Unclaimed dividend		14,156	14,572
Unpaid dividend		2,000	-
Short term running finance - secured	17	22,345,110	4,994,853
Current maturity of non-current liabilities	18	2,021,414	1,776,601
Provision for tax levies - net		94,774	93,627
		<u>29,343,745</u>	<u>10,380,630</u>
		<u>36,789,801</u>	<u>19,092,177</u>
<b>TOTAL LIABILITIES</b>	19		
Contingencies and commitments			
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>51,753,558</u>	<u>33,697,650</u>

The annexed notes 1 to 27 form an integral part of these condensed interim consolidated financial statements.

 **CHIEF FINANCIAL OFFICER**  **CHIEF EXECUTIVE**  **DIRECTOR**

**CHASHMA SUGAR MILLS LIMITED**  
**CONDENSED INTERIM CONSOLIDATED**  
**STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE SIX MONTH PERIOD ENDED MARCH 31, 2024**

	Note	Three month period ended March 31, 2024	March 31, 2023	Six month period ended March 31, 2024	March 31, 2023
(Rupees in thousand)					
Gross sales	20	6,046,913	8,747,651	14,891,092	12,561,591
Sales tax, other government levies and discounts		(677,268)	(832,515)	(1,452,801)	(1,217,601)
Sales - net		<u>5,369,645</u>	<u>7,915,136</u>	<u>13,438,291</u>	<u>11,343,990</u>
Cost of sales		(4,171,343)	(5,922,334)	(10,404,513)	(8,649,005)
<b>Gross profit</b>		<u>1,198,302</u>	<u>1,992,802</u>	<u>3,033,778</u>	<u>2,694,985</u>
Selling and distribution expenses		(241,138)	(340,128)	(477,461)	(474,788)
Administrative and general expenses		(335,222)	(286,040)	(698,285)	(543,916)
Net impairment losses on financial assets		-	(34,128)	-	(34,128)
Other income		69,042	69,656	112,967	76,525
Other expenses - net		44,061	(39,825)	(10,118)	(45,580)
<b>Operating profit</b>		<u>735,045</u>	<u>1,362,337</u>	<u>1,960,881</u>	<u>1,673,098</u>
Finance cost - net		(1,357,924)	(714,072)	(2,130,432)	(1,036,195)
<b>Profit / (Loss) before revenue tax and income tax</b>		<u>(622,879)</u>	<u>648,265</u>	<u>(169,551)</u>	<u>636,903</u>
Final taxes - levy		(17,599)	(33,021)	(40,068)	(44,796)
<b>Profit / (Loss) before income tax</b>		<u>(640,478)</u>	<u>615,244</u>	<u>(209,619)</u>	<u>592,107</u>
Taxation (expense) / credit					
- Current		55,942	(107,660)	(57,413)	(137,628)
- Prior year		-	(41,938)	-	(41,938)
- Deferred		117,243	31,915	156,864	101,391
		<u>173,185</u>	<u>(117,683)</u>	<u>99,451</u>	<u>(78,175)</u>
		<u>(467,293)</u>	<u>497,561</u>	<u>(110,168)</u>	<u>513,932</u>
<b>Profit / (loss) for the period</b>					
<b>Attributable to:</b>					
Owners of the parent company		(501,035)	503,227	(98,811)	522,501
Non-controlling interest		33,742	(5,666)	(11,357)	(8,569)
		<u>(467,293)</u>	<u>497,561</u>	<u>(110,168)</u>	<u>513,932</u>
Earnings / (loss) per share attributable to owners of parent company - basic and diluted (Rs)		(17.46)	17.34	(3.44)	17.91

The annexed notes 1 to 27 form an integral part of these condensed interim consolidated financial statements.

 **CHIEF FINANCIAL OFFICER**  **CHIEF EXECUTIVE**  **DIRECTOR**

**CHASHMA SUGAR MILLS LIMITED**  
**CONDENSED INTERIM CONSOLIDATED**  
**STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE SIX MONTH PERIOD ENDED MARCH 31, 2024**

	Three month period ended March 31, 2024	March 31, 2023	Six month period ended March 31, 2024	March 31, 2023
Profit / (loss) after taxation	(467,293)	497,561	(110,168)	513,932
Other comprehensive income				
Surplus on revaluation of Property, plant and equipment	-	-	-	-
Add: Deferred tax on surplus on revaluation of property, plant and equipment	611,912	-	611,912	-
Total comprehensive income for the period	144,619	497,561	501,744	513,932
Attributable to:				
Owners of the Parent Company	110,877	503,227	513,101	522,501
Non-controlling interest	33,742	(5,666)	(11,357)	(8,569)
	144,619	497,561	501,744	513,932



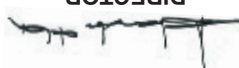
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 **CHIEF FINANCIAL OFFICER**  
 **CHIEF EXECUTIVE**  
 **DIRECTOR**

**CHASHMA SUGAR MILLS LIMITED**  
**CONDENSED INTERIM CONSOLIDATED**  
**STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE SIX MONTH PERIOD ENDED MARCH 31, 2024**

	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Share capital	286,920	327,000	286,920	327,000
General reserve	-	-	-	-
Unappropriated Surplus on profits	1,061,540	1,059,920	1,061,540	1,059,920
Surplus on revaluation of property, plant and equipment	1,814,626	1,816,246	1,814,626	1,816,246
Total comprehensive income for the period	3,320,146	7,097,094	3,320,146	7,097,094
Balance as at October 1, 2022	286,920	327,000	286,920	327,000
Total comprehensive income for the six month period ended March 31, 2023	-	-	-	-
Income for the period	522,501	522,501	522,501	522,501
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)	-	-	-	-
Total comprehensive income for the six month period ended March 31, 2023	522,501	522,501	522,501	522,501
Balance as at March 31, 2023	286,920	327,000	286,920	327,000
Total comprehensive income for the six month period ended September 30, 2023	-	-	-	-
Profit for the period	1,061,540	1,061,540	1,061,540	1,061,540
Acquisition of non controlling interest	(6,390)	(6,390)	(6,390)	(6,390)
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)	-	-	-	-
Balance as at September 30, 2023	286,920	327,000	286,920	327,000
Total comprehensive income for the six month period ended March 31, 2024	(98,811)	611,912	(98,811)	611,912
Other comprehensive income for the period	-	-	-	-
Loss for the period	611,912	611,912	611,912	611,912
Transfer from surplus on revaluation of property, plant and equipment (net of deferred taxation)	-	-	-	-
Cash dividend at rate of Rs 5.00 per ordinary share for the year ended September 30, 2023	-	-	-	-
Balance as at March 31, 2024	286,920	327,000	286,920	327,000
Balance as at October 1, 2022	286,920	327,000	286,920	327,000

The annexed notes 1 to 27 form an integral part of these condensed interim consolidated financial statements.

 **CHIEF FINANCIAL OFFICER**  
 **CHIEF EXECUTIVE**  
 **DIRECTOR**

**CHASHMA SUGAR MILLS LIMITED**  
**CONDENSED INTERIM CONSOLIDATED**  
**STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE SIX MONTH PERIOD ENDED MARCH 31, 2024**

	Six month period ended	March 31,	March 31,
	2024	2023	2023
	(Rupees in thousand)	(Rupees in thousand)	(Rupees in thousand)
<b>Cash flow from operating activities</b>			636,903
Profit / (loss) before taxation	(209,619)		
Adjustments for non-cash items:			
Depreciation	915,182	701,199	
Impairment losses on export subsidy	-	34,128	
Gain on sale of operating fixed assets	(8,639)	(60)	
Profit on deposit accounts	(2,412)	(6,643)	
Mark-up earned on term depositary receipts	(42,507)	-	
Finance cost	2,130,432	1,036,195	
Provision for gratuity	4,139	2,786	
	<u>2,786,576</u>	<u>2,404,508</u>	

	2,976	(262,667)
<b>Changes in working capital</b>		
Decrease / (Increase) in		
stores and spares	(17,126,864)	(10,252,678)
stock-in-trade	826,506	(1,701,479)
trade debts	(1,978,470)	(375,662)
loans and advances	15,941	(27,221)
trade deposits and other receivables	1,365,314	3,008,770
Increase in trade and other payables	(16,895,197)	(9,610,937)
	(14,108,621)	(7,206,429)
	(280,499)	(120,617)
	(2,062)	(254)
	(14,391,182)	(7,327,300)

Income taxes paid	(648,033)	(1,863,789)
Gratuity paid	36,354	227
<b>Net cash used in operating activities</b>	(200)	(754)
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	2,412	6,643
Sale proceeds of operating fixed assets	42,507	-
Long term security deposits	(566,960)	(1,857,673)
Profit on bank deposits received	(257,476)	1,207,763
Mark-up earned on term depositary receipts	3,216,253	2,050,000
Cash flow from financing activities	(15,618)	(15,618)
Long term loan received	(77,643)	(74,476)
Loan repaid to related party	(141,876)	(10)
Lease obligation repaid	(1,399,975)	(758,053)
Dividends paid	1,323,865	2,409,606
Finance cost paid	(13,634,477)	(6,775,367)
<b>Net cash generated in financing activities</b>	(2,723,034)	(2,345,755)
<b>Net decrease in cash and cash equivalents</b>	(16,357,511)	(9,121,122)
<b>Cash and cash equivalents at beginning of the period</b>		
<b>Cash and cash equivalents at end of the period</b>		
<b>Cash and cash equivalents comprised of:</b>		
Bank balances	174,957	419,147
Short term running finance - secured	(16,532,468)	(9,540,269)
	(16,357,511)	(9,121,122)

The annexed notes 1 to 27 form an integral part of these condensed interim consolidated financial statements.

 **CHIEF EXECUTIVE**  
 **DIRECTOR**

**CHASHMA SUGAR MILLS LIMITED**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED**  
**FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE SIX MONTH PERIOD ENDED MARCH 31, 2024**

**1. THE GROUP AND ITS OPERATIONS**

**1.1 Chashma Sugar Mills Limited (the Holding Company)**

Chashma Sugar Mills Limited (the Company) was incorporated in Pakistan on May 5, 1988 as a public limited company, under the repealed Companies Ordinance, 1984 (repealed upon enactment of the Companies Act, 2017 on May 30, 2017) and commenced its commercial production from October 01, 1992. The Company has its shares quoted on the Pakistan Stock Exchange Limited. The Company is principally engaged in manufacturing, production, processing, compounding, preparation and sale of sugar, other allied compound, intermediates and allied products. The Company is a subsidiary of The Premier Sugar Mills and Distillery Company Limited. The head office of the Company is situated at King's Arcade, 20-A, Markaz F-7, Islamabad and its manufacturing facilities are located at Dera Ismail Khan, Khyber Pakhtunkhwa.

**1.2 Subsidiary Companies**

**(a) Whole Foods (Private) Limited**

Whole Foods (Private) Limited (WFPL) - 100% owned subsidiary of the Company 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 WFPL is yet to commence its operations.

**(b) Ultimate Whole Foods (Private) Limited**

Ultimate Whole Foods (Private) Limited ("the Subsidiary Company") was incorporated in Pakistan as a Private Limited Company under Companies Act, 2017 on May 17, 2021. The objective of UWFPL is to set up mills for milling wheat, gram, other grains and other allied products and by-products from flours. The Holding Company holds 84% shares of the Subsidiary Company.

For the purpose of these condensed interim consolidated financial statements, Chashma Sugar Mills Limited and its subsidiaries are referred to as the Group.

**2. Statement of compliance**

These condensed interim consolidated financial statements for six month period ended March 31, 2024 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:

- i) International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- ii) 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. The disclosures in this condensed interim consolidated financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended September 30, 2023.

**3. Significant Accounting Policies**

The Accounting policies adopted in the preparation of these condensed interim consolidated financial statements are consistent with those followed in the preparation of the audited financial statements for the year ended September 30, 2023.

**3.1 Accounting guidance issued by ICAP on Accounting for minimum taxes and final taxes**

Institute of Chartered Accountant of Pakistan (ICAP) issued a guidance "Application guidance on accounting for minimum taxes and final taxes" through Circular No. 07/2024 dated May 15, 2024. In light of the said guidance, as the minimum taxes and final taxes are not calculated on the 'taxable profit' as



defined in IAS 12 but calculated on turnover or other basis (as per relevant sections of the Income Tax Ordinance, 2001 (ITO, 2001)), accordingly minimum taxes and final taxes should be accounted for under IAS 37/IFRIC 21 as levies (though these are charged under tax law) and not under IAS 12 as income taxes. Based on the guidance, the minimum taxes under ITO 2001 are hybrid taxes which comprise of a component within the scope of IAS 12 (Income Tax) and a component within the scope of IFRIC 21 (Levies).

The aforesaid guidance has been applied retrospectively by the Company and the comparative information has been restated, which has not affected current period or prior years' net sales, profit after taxes and levies, equity and cash flows. Impact as of October 1, 2022 is not material to the financial statements. In accordance with requirements of IAS 1 "Presentation of Financial Statements", the balances as at September 30, 2023 have been restated and third statement of financial position as of October 1, 2022 has not been presented due to immaterial impact. The effects of the restatement are summarized in note 3.2 below:

**3.2 The following tables present the impacts of restatements as explained in note 3.1 above:**

	Balances before restatement	Impact	Restated
<b>September 30, 2023</b>			
Current assets			
Income tax refundable	-	122,222	122,222
Current liabilities			
Provision for taxation - net	93,627	(93,627)	-
Provision for tax levies - net	-	215,849	215,849

"In the statement of profit or loss, the minimum tax and final tax previously presented as income taxes have now been reclassified as "final taxes - levy" under IAS 37 / IFRIC 21 amounting to Rs 44,796 thousand for the six month period ended March 31, 2023.

**4. Financial risk management**

The Group's financial risk management objectives and policies are consistent with those disclosed in the audited consolidated financial statements for the year ended September 30, 2023.

**5. Seasonality of operations**

Due to seasonal nature of sugar segment of the Group, operating results of the Group are expected to fluctuate in the second half of the year in comparison with the first six months of the year.

	Un-audited March 31, 2024	Audited September 30, 2023
<b>6. Property, plant and equipment</b>		
Operating fixed assets	22,372,109	19,700,369
Capital work-in-progress	1,144,506	4,083,102
	<u>23,516,615</u>	<u>23,783,471</u>
6.1 Operating fixed assets - at net book value		
Net book value at the beginning of the period / year	19,700,369	15,229,277
Revaluation surplus during the period / year	-	2,693,463
Additions during the period / year	3,554,664	3,169,455
Transfers from right of use assets to owned	21,925	20,553
Disposals during the period / year	(27,715)	(20,574)
Depreciation charged for the period / year	(877,134)	(1,391,805)
	<u>(904,849)</u>	<u>(1,412,379)</u>
Net book value at the end of the period / year	<u>22,372,109</u>	<u>19,700,369</u>

	Un-audited March 31, 2024	Audited September 30, 2023
6.1.1 Additions during the period / year		
Leasehold land	-	2,722,248
Building and roads	1,929,391	81,674
Plant and machinery	1,329,306	271,725
Electric installations	231,429	23,989
Office equipment	38,720	38,473
Farm equipment	73	168
Furniture and fixtures	13,411	19,778
Vehicles	12,334	11,400
	<u>3,554,664</u>	<u>3,169,455</u>

**6.2 Capital work-in-progress**

At the beginning of the period / year	4,083,102	4,342,048
Additions during the period / year	982,096	4,232,936
Capitalized / adjusted during the period / year	(3,920,692)	(4,505,774)
Other adjustments	-	13,892
Balance at the end of the period / year	<u>1,144,506</u>	<u>4,083,102</u>

**6.2.1 Additions during the period / year**

Land and building	318,790	940,176
Plant and machinery	177,627	1,814,720
Electric installations	52,941	291,166
Vehicles - owned	5,424	1,597
Vehicles - leased	42,195	108,609
Capital stores	230,522	262,244
Advance payments to contractors	140,097	812,424
Advance payments against land - freehold and buildings	14,500	2,000
	<u>982,096</u>	<u>4,232,936</u>

**7. Right of Use Assets**

Net book value at the beginning of the period / year	322,672	283,515
Additions during the period / year	100,988	144,957
Remeasurement during the period / year	-	(9,365)
Transfers from right of use assets to owned	(21,925)	(20,552)
Depreciation charged for the period / year	(38,048)	(75,883)
Net book value at the end of the period / year	<u>363,687</u>	<u>322,672</u>

**8. Stock-in-trade**

Finished goods		
- Sugar	16,365,709	3,252,578
- Molasses	3,950,742	1,129,284
- Ethanol	696,506	742,952
- Bagasse	415,772	36,569
- Wheat flour - UWFPL	58,350	-
	<u>21,487,079</u>	<u>5,161,383</u>
Raw material - UWFPL		
- Wheat	997,954	200,767
Work-in-process	20,274	16,293
	<u>22,505,307</u>	<u>5,378,443</u>

- 8.1 Molasses and bagasse are used both for internal consumption as well as for sales to external parties.  
8.2 Certain short term and long term borrowings of the Company are secured by way of collateral charge on stock-in-trade.

	Un-audited March 31, 2024 (Rupees in thousand)	Audited September 30, 2023 (Rupees in thousand)
<b>9. Trade debts - unsecured</b>		
Considered good	-	450
Due from related parties	349,134	1,213,654
Others	349,134	1,214,104
	<u>3,333</u>	<u>3,333</u>
Considered doubtful	352,467	1,217,437
	<u>(3,333)</u>	<u>(3,333)</u>
Less: Loss allowance	349,134	1,214,104

**10. Loans and advances**

Advances to:		
Employees - secured	14,458	15,007
Suppliers and contractors - unsecured	2,983,256	1,026,142
	<u>2,997,714</u>	<u>1,041,149</u>
Due from holding company	31,977	-
The Premier Sugar Mills and Distillery Company Limited	1,084	11,156
Letters of credit	3,030,775	1,052,305
	<u>(28,838)</u>	<u>(28,838)</u>
Less:	<u>(905)</u>	<u>(905)</u>
- Provision for doubtful advances	3,001,032	1,022,562
- Loss allowance		

**11. Trade deposits and other receivables**

Deposits	8,876	8,876
Prepayments	10,582	13,343
Export subsidy receivable	305,519	305,519
Insurance claim receivable	13,741	33,746
Accrued mark-up on term deposit receipts	4,549	1,520
Guarantee issued	15,000	15,000
Others	8,983	4,587
	<u>367,250</u>	<u>382,591</u>
Less: loss allowance	<u>(155,782)</u>	<u>(155,782)</u>
	<u>211,468</u>	<u>226,809</u>

**12. Share Capital**

As at period end, the issued, subscribed and paid-up capital of the Company includes following share capital holdings by the related parties;	
(Number of shares)	
Holding Company	13,751,000
The Premier Sugar Mills & Distillery Co. Ltd.	13,751,000
Associated Companies	
Aztlak Enterprises (Pvt.) Ltd.	1,497,359
Phipson & Co. Pakistan (Pvt.) Ltd.	307,500
Syntronics Ltd.	3,590,475
	<u>19,146,334</u>
	<u>19,126,334</u>

**13. Long term finances - secured**

	Note	Un-Audited March 31, 2024 (Rupees in thousand)	Audited September 30, 2023 (Rupees in thousand)
Bank Al Habib Limited		2,790,112	2,818,700
Soneri Bank Limited		1,203,676	933,703
Dubai Islamic Bank Pakistan Limited		-	250,000
MCB Bank Limited		568,220	698,783
Al-Baraka Bank (Pakistan) Limited		390,425	445,493
The Bank of Khyber		347,587	382,692
United Bank Limited		421,875	450,000
Total	13.1	<u>5,721,895</u>	<u>5,979,371</u>
Accrued mark-up		<u>272,088</u>	<u>302,368</u>
		<u>5,993,983</u>	<u>6,281,739</u>
Less: amount payable within next 12 months			
Principal		<u>(1,522,547)</u>	<u>(1,305,829)</u>
Accrued mark-up		<u>(272,088)</u>	<u>(302,368)</u>
Amount due after March 31, 2025		<u>4,199,348</u>	<u>4,673,542</u>

13.1 These represent term and demand finance obtained by the Company from the aforesaid banks and are repayable in 5-7 years with varied grace periods. The rate of mark-up ranges from KIBOR + 1% per annum to KIBOR + 1.75% per annum and SBP rate + 1.5%. These are secured against first / joint pari passu hypothecation charge over all present and future movablifixed assets of the Company along with first / joint pari passu charge by way of equitable on all present and future immovablifixed assets of the Company and TDR of Rs. 450 million with 25% margin. There is no material change in the terms and conditions of the long term loans as disclosed in note 17 to the annual audited financial statements of the Company as at September 30, 2023.

**14. Loans from related parties - secured**

Associated companies			
Premier Board Mills Limited	14.1	62,472	71,840
Arpak International Investments Limited	14.2	25,000	31,250
Aztlak Enterprises (Private) Limited	14.3	85,000	85,000
Accrued mark-up		<u>65,260</u>	<u>52,446</u>
		<u>237,732</u>	<u>240,536</u>
Less: amount payable within next 12 months			
Principal		<u>(41,861)</u>	<u>(31,236)</u>
Accrued mark-up		<u>(65,260)</u>	<u>(46,236)</u>
Amount due after March 31, 2025		<u>130,611</u>	<u>163,064</u>

14.1 This include long term finance facilities obtained by the Company and the Subsidiary.

The long term finance facility obtained by the Company had been renewed on November4, 2019. The principal is repayable in 7 semi annual installments commencing from November2022. 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 Company.

Long term finance facility amounting to Rs 25 million obtained by WFPL has been renewed on June 23, 2023. The principal is repayable in 8 semi annual installments commencing from June 2025. 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.

14.2 The long term finance facility has 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. These loans are secured against promissory note from the Group.

14.3 The long term finance facility has been renewed on January 3, 2022. The principal is repayable in 8 semi annual instalments commencing from December 2024. 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 Company.

	Un-Audited March 31, 2024	Audited September 30, 2023
<b>15. Lease liabilities</b>		
Balance at beginning of the period / year	248,926	236,797
Additions during the period / year	69,023	124,878
Unwinding of interest on lease liabilities	30,055	46,928
Payments made during the period / year	(77,643)	(150,312)
Remeasurement of lease liabilities	-	(9,365)
Balance at end of the period / year	270,361	248,926
Less: current portion of long term lease liabilities	(95,350)	(90,932)
	<u>175,011</u>	<u>157,994</u>

**16. Trade and other payables**

Creditors	1,419,275	523,081
Due to related parties	178,229	296,017
Accrued expenses	101,718	139,236
Retention money	46,787	39,839
Security deposits	1,299	1,299
Advance payments from customers - contract liability	2,708,853	1,957,552
Sales tax payable	186,665	246,710
Income tax deducted at source	88,697	102,848
Payable for workers' profit participation fund	2,202	83,166
Payable for workers' welfare fund	41,357	30,258
Payable to employees	64,869	58,231
Payable to provident fund	6,809	8,459
Others	19,531	14,281
	<u>4,866,291</u>	<u>3,500,977</u>

16.1 This represents amounts due to the following related parties and are interest free and payable on demand:

Holding company:	Un-Audited March 31, 2024	Audited September 30, 2023
The Premier Sugar Mills and Distillery Company Limited	40,885	150,161
Associated Companies		
Syntron Limited	19,280	-
Phipson & Company Pakistan (Private) Limited	-	55
The Frontier Sugar Mills and Distillery Limited	-	733
Aztek Enterprises (Private) Limited	18,064	25,143
Directors	100,000	119,925
	<u>178,229</u>	<u>296,017</u>

**17. Short term running finance - secured**

	Un-Audited March 31, 2024	Audited September 30, 2023
Cash / running finance	16,532,468	3,091,690
Export re finance	4,740,148	1,523,895
	<u>21,272,616</u>	<u>4,615,585</u>
Accrued mark-up	1,072,494	379,268
	<u>22,345,110</u>	<u>4,994,853</u>

17.1 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 KIBOR + 1% per annum to KIBOR + 2% per annum and SBP rate + 1.25% and are secured against pledge of sugar stock with margin ranging from 10% to 25%, lien on export contracts / LCs and import documents.

**18. Current maturity of non-current liabilities**

Long term finances	13	1,794,635	1,608,197
Loans from related parties	14	107,121	77,472
Lease liabilities	15	95,350	90,932
Deferred government grant		24,308	-
		<u>2,021,414</u>	<u>1,776,601</u>

**19. Contingencies and commitments**

19.1 **Contingencies**  
19.1.1 There has been no significant change in the status of contingencies as disclosed in note 24 to the audited consolidated financial statements of the Company for the year ended September 30, 2023.

19.2 **Commitments**

The Group has following commitments in respect of:

- foreign letter of credit for purchase of plant and machinery	8,104	-
- local letter of credit for purchase of plant and machinery	191,532	143,681
- capital expenditure other than for letters of credit	27,678	14,386

**20. Gross sales**

	Three month period ended March 31, 2024	March 31, 2023	Six month period ended March 31, 2024	March 31, 2023
Local	4,286,975	5,445,521	10,884,253	8,082,019
Export	1,759,938	3,302,130	4,006,839	4,479,572
	<u>6,046,913</u>	<u>8,747,651</u>	<u>14,891,092</u>	<u>12,561,591</u>

**21. Sales tax, other government levies and discounts**

Indirect taxes	724,220	828,656	1,448,305	1,211,970
Discounts	(46,952)	3,859	4496	5,631
	<u>677,268</u>	<u>832,515</u>	<u>1,452,801</u>	<u>1,217,601</u>

**22. Final taxes**

This represents final taxes paid under section 154 of Income Tax Ordinance, 2001 (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

**22.1**

**Reconciliation between current tax and levy:**

Reconciliation of current tax charged as per tax laws for the year, with current tax recognized in the profit and loss accounts is as follows:

	Three month period ended March 31, 2024	Three month period ended March 31, 2023	Six month period ended March 31, 2024	Six month period ended March 31, 2023
Current tax liability for the year as per applicable tax laws	37,590	(140,708)	(93,730)	(182,424)
Less:				
Portion of current tax liability as per tax laws, representing income tax under IAS 12	55,189	(107,687)	(53,662)	(137,628)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	(17,599)	(33,021)	(40,068)	(44,796)
Difference	-	-	-	-

**22.2**

**Income tax refundable**

The aggregate of minimum tax, final tax and income tax, amounting to Rs 127,321 thousand represents tax assets, (2023: Rs. 93,627 thousand represents tax liability) of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

**23. Segment operating results for the six month period ended March 31, 2024 (Un-audited)**

	Ethanol Division		Sugar Division		Others		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Sales	4,233,676	6,239,003	8,858,742	6,890,933	2,153,507	2,508,648	4,531,943	3,870,658
Less: Sales tax and others	(666,264)	(808,273)	(1,372,700)	(1,166,541)	(60,036)	(24,242)	(80,101)	(3,870,658)
Others - UWFPL	-	-	-	-	-	-	-	-
Sales - net	4,142,608	6,089,915	8,362,625	8,805,906	2,093,471	2,484,406	4,451,842	3,819,598
Segment expenses:								
Cost of Sales	(3,522,905)	(5,035,174)	(6,613,926)	(7,576,808)	(1,741,257)	(1,546,345)	(3,342,404)	(2,353,711)
less: Intersegment cost	-	-	-	-	(565,196)	(887,160)	(2,465,821)	(1,072,197)
Others - UWFPL	-	-	-	-	-	(659,185)	(876,583)	(1,281,514)
Gross profit	619,703	1,054,741	1,748,699	352,214	352,214	1,109,438	1,465,887	1,198,302
Selling and distribution expenses	(16,630)	(124,852)	(27,438)	(134,250)	(213,641)	(439,156)	(340,538)	(230,271)
Administrative and general expenses	(213,035)	(184,588)	(424,756)	(345,595)	(85,409)	(70,396)	(173,430)	(140,881)
Net impairment losses on financial assets	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Profit from operations	390,038	711,173	1,296,503	715,125	53,164	652,389	496,852	984,468
Other income	65,666	68,174	108,498	73,598	2,835	1,588	3,928	2,651
Other expenses	(44,061)	(39,825)	(10,118)	(45,580)	-	-	-	-
Finance cost	(1,357,924)	(714,072)	(2,130,432)	(1,036,195)	(622,879)	(169,551)	(636,903)	(44,796)
Profit / (Loss) before revenue tax and income tax	1,673,098	1,960,881	1,394,883	743,143	55,999	653,977	500,780	987,119
Final taxes - levy	(44,796)	(33,021)	(40,068)	(44,796)	(17,599)	(33,021)	(40,068)	(44,796)
Taxation (expense) / credit	173,185	(117,683)	99,451	(78,175)	(467,293)	497,561	(110,168)	513,932
Profit / (loss) for the period	1,628,302	1,843,198	1,354,815	694,968	38,396	316,956	400,712	942,321

### 23.1 Segment assets and liabilities

	Un-audited		Audited	
	March 31, 2024 (Rupees in thousand)	Liabilities	September 30, 2023 (Rupees in thousand)	Liabilities
Sugar	36,618,571	26,391,791	24,583,109	15,877,806
Ethanol	9,937,386	6,474,870	7,367,338	1,942,447
Total for reportable segment	46,555,957	32,866,661	31,950,447	17,820,253
Others	5,197,601	3,923,140	1,747,203	1,271,924
Total assets / liabilities	51,753,558	36,789,801	33,697,650	19,092,177

### 24. Transactions with related parties

24.1 The Group has related party relationship, with its Holding Company and associated companies, its directors, key management personnel and employee benefit plan. The Company in the normal course of business carries out transactions with various related parties. There were no transactions with key management personnel other than under the terms of employment. Aggregate transactions with the related parties during the period were as follows:

	Three month period ended		Six month period ended	
	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2023
<b>Holding Company</b>				
Sale of store items	3,449	13,006	3,503	21,125
Advance against purchase of building	10,000	-	10,000	-
Sale of baggage	-	2,428	-	2,428
Purchase of store items	-	2,546	-	2,546
Expenses paid by Holding Company	1,151	2,779	2,149	3,671
Expenses paid on behalf of Holding Company	23,937	44,805	31,025	81,687
Rent income	29	29	58	58
Dividend paid	68,755	-	68,755	-
Advance paid against purchase of molasses	-	116,900	-	116,900
<b>Associated undertakings</b>				
Services	13,286	9,170	26,522	18,333
Expenses paid by associated companies	285	-	1,293	404
Purchase of goods	6,989	131,231	220,513	256,941
Dividend paid	26,977	-	26,977	-
Mark-up charged	10,069	9,577	20,890	18,758
<b>Post employment benefit</b>				
Expense charged in respect of retirement benefit plan	10,047	8,065	19,543	15,586
<b>Key management personnel / Directors</b>				
Salaries and other benefits	42,954	43,031	114,166	90,514
Dividend paid	28,721	-	28,721	-

### 25. Fair value of financial assets and liabilities

The carrying value of financial assets and liabilities reflected in financial statements approximate their respective fair value.

#### Fair value hierarchy

Certain property, plant and equipment of the Group was valued by independent valuer to determine the fair value of property, plant and equipment as at September 30, 2023. The revaluation surplus was credited to other comprehensive income and is shown as 'surplus on revaluation of property, plant and equipment'. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Level 2 fair value of certain property, plant and equipment has been derived using the comparison approach. Sales prices of comparable property, plant and equipment in identical circumstances or close proximity are adjusted for differences in key attributes such as property size, structure, location, capacity etc. The most significant inputs into this valuation approach are price per matla, price per square feet, depreciated replacement cost etc.

### 26. General

26.1 Corresponding figures have been re-arranged and re-classified, where necessary, for the purpose of better presentation and comparison; however, no material re-arrangements/ re-classifications have been made in this condensed interim financial information.

26.2 Figures in these condensed interim consolidated financial statements have been rounded-off to the nearest thousand Rupees.

### 27. Date of authorisation for issue

These condensed interim consolidated financial statements were authorised for circulation to the shareholders by the Board of Directors of the Company on May 27, 2024.



**CHIEF FINANCIAL OFFICER**

**CHIEF EXECUTIVE**

**DIRECTOR**

