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



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

**CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED
MARCH 31, 2023**

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

COMPANY INFORMATION

Board of Directors

Begum Laila Sarfaraz	Chairperson
Mr. Abbas Sarfaraz Khan	Chief Executive
Ms. Zarmine Sarfaraz	Director
Ms. Mahnaz Saigol	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.) Limited,
H.M. House, 7-Bank Square, Lahore.
Phone No. : 042-37235081 Fax No. : 042-37235083

Bankers

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

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

DIRECTORS REVIEW REPORT

The Directors are pleased to present the un-audited condensed interim financial information of the Company for the six months' period that ended on March 31, 2023. 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. The enclosed financial information has been reviewed by the external auditors, as required by the Code of Corporate Governance.

OPERATIONAL PERFORMANCE

The sugarcane crushing season 2022-23 commenced on November 01, 2022. The mills have crushed 102,302 tons of sugarcane and have produced 10,536 tons of sugar till January 31, 2022.

FINANCIAL PERFORMANCE

The Company crushed 102,302 tons of sugarcane against the capacity of 495,300 for the season. The low crushing resulted in high production cost. The Company earned profit after taxation of Rs. 44.590 million (2022: loss Rs. 52.867 million) during the six months' period ended on March 31, 2023 due to high input costs, low supply of sugarcane and suppressed sale prices.

DISTILLERY

The Distillery Plant produced 3,347 MT of Ethanol during the half year ended on March 31, 2023.

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.

FOR AND ON BEHALF OF THE BOARD

Mardan:
May 26, 2023


(ABBAS SARFARAZ KHAN)
Chief Executive


(ISKANDER M. KHAN)
Director

ڈسٹری

ڈسٹری پلانٹ نے 31 مارچ 2023 کو ختم ہونے والی شش ماہی کے دوران 3,347 میٹرک ٹن
استھنول کی پیداواری۔

اکاؤنٹنگ کی پالیسیاں

کمپنی کی شش ماہی کنڈسٹرانٹیرم مالیاتی معلومات کی تیاری کے دوران اپنا ہی گئی اکاؤنٹنگ پالیسیاں وہی
ہیں جو پچھلے سال سالانہ مالیاتی حسابات میں اپنا ہی گئی تھیں۔

اعتراف

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

منجانب بورڈ



مردان

اسکندر محمد خان

بتاریخ: 26 مئی 2023

ڈائریکٹر



عباس سرفراز خان

چیف ایگزیکٹو آفیسر

دی پرنسپل شوگر ملز اینڈ ڈسٹری کمپنی لمیٹڈ

ڈائریکٹرز کی جائزہ رپورٹ

ڈائریکٹرز کمپنی کے غیر آڈٹ شدہ کنڈسٹرانٹ مالیاتی معلومات کی شش ماہی رپورٹ 31 مارچ 2023 کو
چھ ماہ کے اختتام پر ہونے پر مسرت محسوس کرتے ہیں۔ یہ کنڈسٹرانٹیرم مالیاتی معلومات حصص
داروں کو اکاؤنٹنگ اسٹینڈرڈ نمبر 34، انٹیرم فنانشل رپورٹنگ، دی کوڈ آف کارپورٹ گورننس، کمپنیز
ایکٹ 2017 کے سیکشن 237 اور اسٹنڈ کمپنیز (کوڈ آف کارپورٹ گورننس) ریگولیشنز 2019 کے
قواعد کے مطابق ہیں۔ منسلک مالیاتی معلومات کا کوڈ آف کارپورٹ گورننس کے مطابق بیرونی آڈیٹرز
کے ذریعے جائزہ لیا گیا ہے۔

آپریٹنگ کارکردگی

گئے کارکننگ سیزن 2022-23 کا آغاز 01 نومبر 2022 کو شروع ہوا۔ 31 جنوری 2022
تک ملز نے 102,302 ٹن گنے کو کرش کرتے ہوئے 10,536 ٹن چینی کی پیداواری۔

مالیاتی کارکردگی

کمپنی نے سیزن کے لئے 495,300 کی گنجائش کے مقابلے میں 102,302 ٹن گنے کو کرش
کیا۔ کم کرکنگ کے نتیجے میں پیداواری لاگت زیادہ رہی۔ 31 مارچ 2023 کو ختم ہونے والی شش
ماہی کے دوران کمپنی کا منافع بعد از ٹیکس 44.590 ملین روپے رہا (2022 میں نقصان
52.867 ملین روپے تھا) جس کی وجہ پیداواری لاگت کا زیادہ ہونا، گنے کی سپلائی کا کم ہونا اور قیمت
فروخت کا کم ہونا۔

**Independent Auditors' Review Report to the Members of
The Premier Sugar Mills & Distillery Company Limited**

Report on Review of Interim Unconsolidated Financial Statements

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of **The Premier Sugar Mills & Distillery Company Limited** as at March 31, 2023 and the related condensed interim unconsolidated statement of profit or loss and other comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated statement of cash flows, and notes to the condensed interim unconsolidated 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 interim unconsolidated statement of profit or loss and other comprehensive income for the quarters ended March 31, 2023 and March 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended March 31, 2023.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of 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.

Emphasis of Matter

We draw attention to note 15.3 to the interim financial statements, which describes the matter regarding non-provisioning of Gas Infrastructure Development Cess aggregating Rs.29.936 million demanded by Sui Northern Gas Pipelines Ltd. Our review report is not modified in respect of this matter.

The engagement partner on the review resulting in this independent auditors' review report is Nafees ud din.

Shinewing Hameed Chaudhri & Co.

**SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS**

LAHORE; May 29, 2023
UDIN: RR202310195mA9KRfZb

**THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
Unconsolidated Condensed Interim Statement of Financial Position
As At March 31, 2023**

		Un-audited March 31, 2023	Audited Sep. 30, 2022
	Note	(Rupees in thousand)	
Assets			
Non-current Assets			
Property, plant and equipment	5	1,112,925	1,160,797
Investment property		20,042	20,183
Long term investments	6	170,006	170,006
Security deposits		1,809	1,309
		<u>1,304,782</u>	<u>1,352,295</u>
Current Assets			
Stores and spares		111,700	106,710
Stock-in-trade	7	1,597,197	760,503
Trade debts, unsecured - considered good		46,481	45,071
Advances	8	261,743	250,244
Trade deposits and short term prepayments		7,863	4,017
Other receivables	9	13,254	9,910
Sales tax refundable		0	417
Income tax refundable, advance tax and tax deducted at source		36,546	20,280
Bank balances	10	26,843	71,665
		<u>2,101,627</u>	<u>1,268,817</u>
Non-current assets classified as held for sale	11	4,642	4,642
		<u>2,106,269</u>	<u>1,273,459</u>
		<u>3,411,051</u>	<u>2,625,754</u>
Total Assets			
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
- revaluation surplus on property, plant and equipment		706,167	732,941
General revenue reserve		900,000	900,000
Accumulated loss		(608,214)	(652,946)
Shareholders' Equity		<u>1,035,454</u>	<u>1,017,496</u>
Liabilities			
Non-current Liabilities			
Lease liabilities		1,905	0
Staff retirement benefits - gratuity		26,427	28,697
Deferred taxation		98,167	83,747
		<u>126,499</u>	<u>112,444</u>
Current Liabilities			
Trade and other payables	12	615,494	220,316
Unclaimed dividends		7,470	7,470
Accrued mark-up		32,956	2,791
Short term borrowings	13	1,022,529	701,000
Current portion of non-current liabilities	14	639	6,439
Taxation		30,045	17,833
		<u>1,709,133</u>	<u>955,849</u>
Liabilities directly associated with non-current assets classified as held for sale	11	539,965	539,965
Total Liabilities		<u>2,375,597</u>	<u>1,608,258</u>
Contingencies and Commitments	15		
Total Equity and Liabilities		<u>3,411,051</u>	<u>2,625,754</u>

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


CHIEF EXECUTIVE


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 Six Month Period Ended March 31, 2023

	Note	Quarter ended		Six month period ended	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
----- Rupees in thousand -----					
Sales	16	187,535	175,808	1,006,865	320,245
Less : sales tax	16	(27,728)	(4,263)	(53,963)	(5,637)
Sales - net		159,807	171,545	952,902	314,608
Cost of sales	17	(100,314)	(183,655)	(754,723)	(387,672)
Gross profit / (loss)		59,493	(12,110)	198,179	(73,064)
Distribution cost	18	(9,286)	(11,979)	(28,393)	(23,037)
Administrative expenses	19	(32,377)	(14,947)	(49,577)	(29,844)
Other income	20	21,443	84,059	26,023	94,987
Other expenses	21	(3,475)	(450)	(19,146)	(788)
Profit / (loss) from operations		35,798	44,573	127,086	(31,746)
Finance cost	22	(50,752)	(14,473)	(82,496)	(21,121)
(Loss) / profit before taxation		(14,954)	30,100	44,590	(52,867)
Taxation					
-current		(3,896)	(12,132)	(12,212)	(13,635)
-deferred		(21,032)	(13,023)	(14,420)	16,092
		(24,928)	(25,155)	(26,632)	2,457
(Loss) / profit after taxation		(39,882)	4,945	17,958	(50,410)
Other comprehensive income		0	0	0	0
Total comprehensive (loss) / income		(39,882)	4,945	17,958	(50,410)
----- Rupees -----					
(Loss) / earnings per share		(10.64)	1.32	4.79	(13.44)

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

Unconsolidated Condensed Interim Statement of Cash Flows (Un-Audited)

For The Six Month Period Ended March 31, 2023

	March 31, 2023	March 31, 2022
Six month period ended		
(Rupees in thousand)		
Cash flows from operating activities		
Profit / (loss) for the period - before taxation	44,590	(52,867)
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	53,281	58,570
Depreciation on investment property	141	149
Unclaimed payable balances written-back	(151)	0
Mark-up / profit on bank deposits and saving accounts	(1,440)	(818)
Gain on disposal of vehicles	0	(584)
Staff retirement benefits - gratuity (net)	(2,270)	753
Dividend from Subsidiary Company	0	(68,755)
Finance cost	82,496	21,121
Profit / (loss) before working capital changes	176,647	(42,431)
Effect on cash flows due to working capital changes		
(Increase) / decrease in current assets:		
Stores and spares	(4,990)	4,551
Stock-in-trade	(836,694)	(414,189)
Trade debts	(1,410)	131,347
Advances	(11,499)	(346,081)
Trade deposits and short term prepayments	(3,846)	(1,890)
Other receivables	(3,344)	8,412
Sales tax refundable	417	(5,624)
Increase in trade and other payables	395,329	22,134
	(466,037)	(601,340)
Cash used in operations	(289,390)	(643,771)
Income tax paid	(16,266)	(13,829)
Net cash used in operating activities	(305,656)	(657,600)
Cash flows from investing activities		
Additions to property, plant and equipment	(5,409)	(133)
Sale proceeds of vehicles	0	2,871
Security deposited	(500)	0
Dividend received	0	68,755
Advances received against non-current assets classified as held for sale	0	250,000
Mark-up / profit received on bank deposits and saving accounts	1,440	1,118
Net cash (used in) / generated from investing activities	(4,469)	322,611
Cash flows from financing activities		
Long term finances repaid	(6,228)	(12,279)
Lease finances - net	2,333	(1,673)
Short term borrowings - net	321,529	362,610
Finance cost paid	(52,331)	(19,308)
Net cash generated from financing activities	265,303	329,350
Net decrease in cash and cash equivalents	(44,822)	(5,639)
Cash and cash equivalents - at beginning of the period	71,665	52,773
Cash and cash equivalents - at end of the period	26,843	47,134

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
Unconsolidated Condensed Interim Statement Of Changes In Equity (Un-Audited)
For The Six Month Period Ended March 31, 2023

	Share capital	Reserves				Total
		Capital		Revenue		
		Share redemption	Revaluation surplus on property, plant and equipment	General	Accumulated loss	

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

Balance as at September 30, 2022 (audited)	37,500	1	732,941	900,000	(652,946)	1,017,496
Total comprehensive income for the six month period ended March 31, 2023	0	0	0	0	17,958	17,958
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation for the period - net of deferred taxation	0	0	(26,774)	0	26,774	0
Balance as at March 31, 2023 (un-audited)	37,500	1	706,167	900,000	(608,214)	1,035,454

Balance as at September 30, 2021 (audited)	37,500	1	792,005	900,000	(608,932)	1,120,574
Total comprehensive loss for the six month period ended March 31, 2022	0	0	0	0	(50,410)	(50,410)
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation for the period - net of deferred taxation	0	0	(29,532)	0	29,532	0
Balance as at March 31, 2022 (un-audited)	37,500	1	762,473	900,000	(629,810)	1,070,164

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
Notes to the unconsolidated condensed interim financial statements (Un-audited)
For The Six Month Period Ended March 31, 2023

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 and its 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) whereas the Head Office is situated at King's Arcade, 20-A, Markaz F-7, Islamabad. The Company has shifted its distillery from Mardanto Ramak, Dera Ismail Khan during the financial year ended September 30, 2020.

2. Basis of preparation

2.1 Statement of compliance

These unconsolidated condensed interim financial statements (the 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 financial statements do not include all of 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, 2022. Selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the Company's financial position and performance since the last annual audited financial statements.

2.3 These interim financial statements are un-audited and are being submitted to the members as required by section 237 of the Companies Act, 2017. The figures for the six month period ended March 31, 2023 have, however, been subjected to limited scope review by the external Auditors.

2.4 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.

2.5 Functional and presentation currency

These 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 adopted for the preparation of these interim financial statements are the same as those applied in the preparation of audited financial statements of the Company as at and for the year ended September 30, 2022.

3.1 Initial application of standards, amendments or an interpretation to existing standards

a) Standards, amendments and interpretations to accounting standards that are effective in the current period

There were certain amendments to accounting and reporting standards which became mandatory for the Company during the period. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim financial statements.

b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after October 01, 2023. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

4. Accounting estimates and judgements

4.1 The preparation of these interim financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

4.2 In preparing these interim financial statements, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements for the year ended September 30, 2022.

4.3 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 interim financial statements.

5. Property, plant and equipment

	Un-audited March 31, 2023	Audited Sep. 30, 2022
	(Rupees in thousand)	
Operating fixed assets	5.1 1,112,925	1,159,687
Advance against leased vehicle	0	1,110
	<u>1,112,925</u>	<u>1,160,797</u>

5.1 Operating fixed assets

Un-audited
March 31, 2023
(Rupees in
thousand)

Book value as at September 30, 2022 audited	1,159,687
Additions during the period :	
- furniture, fittings & office equipment	2,621
- leased vehicles (right of use assets)	3,898
Depreciation charge for the period	(53,281)
Book value as at March 31, 2023 un-audited	<u>1,112,925</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) as at March 31, 2023 were 852.700 million (September 30, 2022: Rs.893.127 million) and Rs.13.334 million (September 30, 2022: Rs.17.426 million) respectively.

7. Stock-in-trade

	Un-audited March 31, 2023	Audited Sep. 30, 2022
	(Rupees in thousand)	
Sugar-in-process	9,057	10,482
Finished goods:		
- sugar	599,697	6,421
- ethanol	518,631	474,215
- molasses	469,812	269,385
	<u>1,588,140</u>	<u>750,021</u>
	<u>1,597,197</u>	<u>760,503</u>

8. Advances - considered good

Suppliers and contractors	8.1 256,835	246,238
Employees	4,908	4,006
	<u>261,743</u>	<u>250,244</u>

8.1 These include advance amounting Rs. 249.923 million made to Al-Moiz Industries Ltd. (September 30, 2022: advance amounting Rs. 240 million made to Husein Sugar Mills Ltd.) against purchase of molasses.

	Note	Un-audited March 31, 2023 (Rupees in thousand)	Audited Sep. 30, 2022
9. Other receivables			
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)		2,140	2,140
Due from The Frontier Sugar Mills & Distillery Ltd. (a Subsidiary Company)		980	0
Others		4,125	1,761
		<u>13,254</u>	<u>9,910</u>
10. Bank balances			
Cash at banks on:			
- PLS accounts		4,975	41,068
- current accounts		12,134	20,863
- deposit accounts	10.1	8,734	8,734
- deposits with a non-banking finance company - unsecured	10.2	6,000	6,000
		<u>31,843</u>	<u>76,665</u>
Less: provision for doubtful bank balance	10.3	5,000	5,000
		<u>26,843</u>	<u>71,665</u>
10.1	These include deposits amounting Rs.3.734 million (September 30, 2022: Rs.3.734 million), which are under lien of a bank against guarantees issued in favour of Sui Northern Gas Pipelines Ltd. on behalf of the Company.		
10.2	The Securities and Exchange Commission of Pakistan winding-up petition filed against Innovative Investment Bank Ltd. 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 up to Rs.10 million in respect of principal amount only. 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 November, 2020, has received third tranche of Rs.12 million from JOLs as per the LHC's order dated October 01, 2020. The management, for the release of balance amount of Rs.6 million, 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. The Company has not accrued profit on these deposits during the current period and preceding financial years.		
10.3	There is no significant change in the status of matter as disclosed in note 15.5 to the audited financial statements of the Company for the year ended September 30, 2022. The appeal filed by State Bank of Pakistan was remanded-back to Additional District Judge, Peshawar. The appeal was disposed-off vide judgment dated November 29, 2019. The judgment states that the Company is entitled to recover Rs.5 million with profit at the rate of 12.5% per annum from National Bank of Pakistan from the year		

1999. The said execution petition is pending adjudication. Full provision for the said deposit amounting Rs.5 million exists in the books of account.

11. Non-current assets classified as held for sale

The Company's Board of Directors, vide resolution dated May 27, 2021, had authorised and approved to sell the Company's House No. 11, Fort Road, situated at Peshawar Cantt. along with fittings, fixtures and installations thereon and commercial property (2nd and 3rd floors) situated at 20-A King's Arcade, F-7 Markaz, Islamabad with total area of 11,700 square feet along with fittings, fixtures and installations thereon having book value of Rs.4.642 million to Chashma Sugar Mills Ltd.(CSM - a Subsidiary Company) at the present market value of Rs. 590.850 million.

CSM, up to March 31, 2023, has paid partial sale consideration of Rs.539.965 million (September 30, 2022: Rs.539.965 million) as earnest money and balance amount of Rs.50.885 will be paid at the time of transfer. As per the latest available revaluation report conducted by M/s K.G.Traders, 3rd Floor, Galaxy Arcade, Markaz, Islamabad dated February 26, 2021, the said property had market value of Rs.590.850 million.

	Un-audited March 31, 2023 (Rupees in thousand)	Audited Sep. 30, 2022
12. Trade and other payables		
Due to related parties :		
-Chashma Sugar Mills Ltd. (Subsidiary Company)	237,519	162,538
-Azlak Enterprises (Pvt.) Ltd. (Associated Company)	15,834	9,045
-Syntronics Ltd. (Associated Company)	649	0
Creditors	30,127	13,970
Accrued expenses	23,886	17,346
Due to employees	4,356	3,600
Deposits from contractors and others	936	910
Advances from customers	289,816	5,558
Income tax deducted at source	1,225	432
Sales tax payable	2,238	16
Gratuity payable to ex-employees	4,259	4,396
Workers' (profit) participation fund	2,398	0
Workers' welfare fund	967	0
Employees' provident fund payable	1,013	2,300
Others	271	205
	<u>615,494</u>	<u>220,316</u>

	Note	Un-audited March 31, 2023 (Rupees in thousand)	Audited Sep. 30, 2022
13. Short term finances			
Secured			
- Bank Al Habib Ltd.		400,000	701,000
- The Bank of Khyber		300,000	0
- Soneri Bank Ltd.		308,985	0
Unsecured			
Temporary bank overdrafts		13,544	0
		1,022,529	701,000
14. Current portion of non-current liabilities			
Long term finances	14.1	0	6,227
Lease liabilities		639	211
Government grant		0	1
		639	6,439

14.1 These finances were obtained during the financial year ended September 30, 2020 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 carried profit at SBP rate + 3%; the effective mark-up rate during the period was 3% per annum. This finance facility was repayable in 8 equal quarterly instalments commenced from January, 2021 and was 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. The outstanding balance of this finance facility was fully repaid during the period.

15. Contingencies and commitments

- 15.1** No commitments were outstanding as at March 31, 2023 and September 30, 2022.
- 15.2** 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.
- 15.3** Petitions filed before the Supreme Court of Pakistan (SCP) against imposition of Gas Infrastructure Development Cess (GIDC) were dismissed vide judgment dated August 13, 2020. 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 would be collected while the GIDC amount that had become due up to July 31, 2020 would be recovered in 24 equal monthly instalments. Based on this judgment, the Company had filed a writ petition before the PHC challenging the demand of GIDC arrears amounting Rs. 29.936 million on the ground that the Company had not passed on GIDC burden to its customers.

PHC, vide its judgment dated June 15, 2022, has dismissed the petition filed by the Petitioners; the PHC, however allowed the Petitioners to approach a competent Court of law / forum having jurisdiction in the matter, if they so advised.

The Company, during the financial year ended September 30, 2022, has filed a civil suit before the Civil Judge, Peshawar challenging the demand of GIDC arrears through the impugned additional bills without determination of alleged passing on the burden to the end consumers. The said civil suit is pending adjudication.

- 15.4** 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 was fixed at Rs.12,000 per month with effect from July 01, 2014 was 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, which was also dismissed. The additional wage liabilities aggregate Rs.2.359 million approximately. The Company has filed a civil petition for leave to appeal before the Supreme Court of Pakistan, which is pending adjudication.
- 15.5** The sales tax appeal filed before the Appellate Tribunal Inland Revenue (ATIR), Peshawar against ex-prate order passed by the Commissioner Inland Revenue (Appeals) {CIR(A)} was 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 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.
- 15.6** 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.
- 15.7** The Company has filed a writ petition before the PHC challenging Federal Government Order No.1(1) 2020 ROP dated July 16, 2021 and Provincial Government Order No.13/12-Sugar/IND / Vol-V / 7862 dated July 16, 2021 issued under section 6 of the Price Control and Prevention of Profiteering and Hoarding Act, 1977 whereby the retail price of sugar at the rate of Rs.88.24 per kilo gram was fixed. The PHC, vide its order dated July 30, 2021, has allowed interim relief and ordered that in the meanwhile status quo be maintained.
- 15.8** The Company has filed a writ petition before the PHC and challenged the KPRA powers & functions and the Show Cause Notice No. 7(02) KPRA / WH - ADC / SCN / 2021 / 1889 dated April 27, 2021 regarding sales tax aggregating Rs. 93.949 million for the period from 2015 to 2019. The petition is pending adjudication.
- 15.9** The KPRA Authorities have issued Show Cause Notice (SCN) to the Company for having allegedly not deducting sales tax on services from the service providers during the period relevant to tax years 2015 to 2019. The vires of SCN have been

challenged before the Assistant Collector, who imposed tax at Rs.23.156 million vide order No. 77 / 2022 dated March 09, 2022. The order has been assailed before the Collector Appeals, who vide his order dated April 21, 2022 has set aside the impugned order. The KPRA has filed further appeal before the Appellate Tribunal Sales Tax on Services, Peshawar, in which hearing has been completed but order has not yet been finalized.

- 15.10** The Company has filed an appeal before the Competition Appellate Tribunal against Sugar Enquiry Order dated August 13, 2021 passed by the Competition Commission of Pakistan (CCP) in SCN No. 138 / 2020. Interim relief has been granted while main appeal is pending.
- 15.11** A SCN is pending before the CCP, which was served upon the Company for the year 2009. The said SCN is pending.
- 15.12** A SCN is pending before the CCP, which was served upon the Company for the year 2021. The reply of SCN is submitted during November, 2021. The said SCN is also pending.
- 15.13** Various cases have been filed against the Company by some former employees. Based on legal advice, no provision has been made in the books of account.
- 15.14** Guarantees given to Sui Northern Gas Pipelines Ltd. by commercial banks on behalf of the Company outstanding as at March 31, 2023 were for Rs.37.340 million (September 30, 2022: Rs.37.340 million).

	Quarter ended		Six month period ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
----- Rupees in thousand -----				
16. Sales				
Local	187,535	29,289	368,091	58,744
Export	0	146,519	638,774	261,501
	187,535	175,808	1,006,865	320,245
Less: sales tax	27,728	4,263	53,963	5,637
	159,807	171,545	952,902	314,608
17. Cost of sales				
Raw materials consumed	394,412	273,769	1,345,749	608,339
Chemicals and stores consumed	22,064	9,709	35,306	14,748
Salaries, wages and benefits	54,846	41,379	107,372	75,594
Power and fuel	15,815	12,500	25,598	34,264
Insurance	564	688	2,146	1,425
Repair and maintenance	9,795	3,887	23,257	10,292
Depreciation	26,224	28,554	51,989	57,199
	523,720	370,486	1,591,417	801,861

	Quarter ended		Six month period ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
----- Rupees in thousand -----				
Adjustment of sugar-in-process:				
Opening	10,848	27,652	10,482	8,688
Closing	(9,057)	(13,645)	(9,057)	(13,645)
	1,791	14,007	1,425	(4,957)
Cost of goods manufactured	525,511	384,493	1,592,842	796,904
Adjustment of finished goods:				
Opening stock	1,162,943	333,311	750,021	124,917
Closing stock	(1,588,140)	(534,149)	(1,588,140)	(534,149)
	(425,197)	(200,838)	(838,119)	(409,232)
	100,314	183,655	754,723	387,672
18. Distribution cost				
Commission	124	0	244	4
Salaries, wages and amenities	1,564	8	2,550	16
Expenses on ethanol exports	7,598	11,971	25,599	23,017
	9,286	11,979	28,393	23,037
19. Salaries and amenities	7,908	7,916	15,651	14,274
Travelling, vehicles' running and maintenance	1,050	522	2,040	1,379
Utilities	399	329	664	560
Rent, rates and taxes	535	1,210	1,561	2,071
Insurance	64	313	439	565
Repair and maintenance	18,312	842	20,323	2,125
Printing and stationery	1,127	1,501	1,947	1,557
Communication	377	274	635	505
Legal and professional charges (other than Auditors)	443	816	2,447	2,744
Subscription	236	36	442	144
Auditors' remuneration	509	322	509	322
Depreciation on:				
- operating fixed assets	552	685	1,292	1,371
- investment property	93	74	141	148
General office expenses	772	107	1,486	2,079
	32,377	14,947	49,577	29,844

	Un-audited	
	Six month period ended	
	March 31, 2023	March 31, 2022
	(Rupees in thousand)	
Subsidiary Companies:		
purchase of store items, molasses and bagasse	23,553	23,610
sale of store items	3,526	31,164
advance received against sale of property	0	250,000
dividend received	0	68,755
rental income	0	10,890
rental expense	57	58
expenses paid by the Company	3,671	1,266
expenses paid on behalf of the Company	81,687	40,990
advance against sale of molasses	116,900	0
Associated Companies		
purchase of store items	13,157	0
rental income	0	1,271
expenses paid on behalf of the Company	7,281	2,263
Key management personnel		
salaries and other benefits	3,834	3,380

24.1 Receivables from and payables to Subsidiary and Associated Companies have been disclosed in notes 9 and 12 respectively to these unconsolidated condensed interim financial statements.

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

25. Financial risk management

25.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

These interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's financial statements as at and for the year ended September 30, 2022.

There have been no changes in the risk management department or in any risk management policies since the year ended September 30, 2022.

25.2 Fair value estimation

During the period, there were no significant changes in the business or economic circumstances that affect the fair value of the Company's financial assets and financial liabilities. Further, there were no reclassifications of financial assets.

26. Corresponding figures

The comparative unconsolidated condensed interim statement of financial position presented in these condensed interim financial statements has been extracted from the audited financial statements of the Company for the year ended September 30, 2022, whereas the unconsolidated comparative condensed interim statement of profit or loss and 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 March 31, 2022.

27. 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 May 26, 2023.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER



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

**CONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED
MARCH 31, 2023**

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
Consolidated Condensed Interim Statement of Financial Position
As At March 31, 2023

	Note	Un-audited March 31, 2023	Audited Sep. 30, 2022
(Rupees in thousand)			
Assets			
Non-current assets			
Property, plant and equipment	7	22,487,949	21,342,308
Right-of-use assets	8	344,018	284,233
Investment property		24,684	24,825
Long term investments	9	173,199	172,002
Security deposits		17,739	16,485
		<u>23,047,589</u>	<u>21,839,853</u>
Current assets			
Stores and spares	10	890,945	623,288
Stock-in-trade	11	15,229,744	4,140,372
Trade debts	12	1,792,117	89,228
Loans and advances	13	1,772,753	1,460,655
Trade deposits, short term prepayments and other receivables	14	293,366	292,807
Tax refunds due from the Government		39,775	85,517
Short term investments	15	21,105	25,237
Bank balances	16	452,804	337,853
		<u>20,492,609</u>	<u>7,054,957</u>
Total assets		<u>43,540,198</u>	<u>28,894,810</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
- revaluation surplus on property, plant and equipment		4,406,781	4,563,539
General revenue reserve		1,010,537	1,010,537
Unappropriated profit		1,637,806	1,223,171
Equity attributable to equity holders of the Holding Company		<u>7,092,625</u>	<u>6,834,748</u>
Non-controlling interest		<u>6,854,882</u>	<u>6,588,892</u>
		<u>13,947,507</u>	<u>13,423,640</u>
Non-current liabilities			
Long term finances	17	5,362,931	4,191,793
Loans from related parties	18	163,096	181,839
Lease liabilities	19	170,534	146,603
Deferred liabilities	20	3,326,812	3,325,255
		<u>9,023,373</u>	<u>7,845,490</u>
Current liabilities			
Trade and other payables	21	4,586,827	1,257,868
Unclaimed dividends		7,470	7,470
Accrued mark-up		733,458	429,125
Short term borrowings	22	14,312,798	5,002,895
Current portion of non-current liabilities	23	840,334	894,901
Dividends payable to non-controlling interest		15,169	15,179
Taxation		73,262	18,242
		<u>20,569,318</u>	<u>7,625,680</u>
Total liabilities		<u>29,592,691</u>	<u>15,471,170</u>
Contingencies and commitments	24		
Total equity and liabilities		<u>43,540,198</u>	<u>28,894,810</u>

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


CHIEF EXECUTIVE


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 Six Month Period Ended March 31, 2023

Note	Quarter ended		Six month period ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	----- Rupees in thousand -----			
Sales				
- local	5,642,555	4,544,038	8,450,110	6,087,145
- export	3,302,130	560,478	5,118,346	2,138,362
	<u>8,944,685</u>	<u>5,104,516</u>	<u>13,568,456</u>	<u>8,225,507</u>
Less: sales tax, other government levies and discounts	<u>(861,623)</u>	<u>(683,434)</u>	<u>(1,271,564)</u>	<u>(909,689)</u>
Sales - net	<u>8,083,062</u>	<u>4,421,082</u>	<u>12,296,892</u>	<u>7,315,818</u>
Cost of sales	<u>(6,005,645)</u>	<u>(3,491,405)</u>	<u>(9,379,812)</u>	<u>(6,016,419)</u>
Gross profit	<u>2,077,417</u>	<u>929,677</u>	<u>2,917,080</u>	<u>1,299,399</u>
Selling and distribution expenses	<u>(349,414)</u>	<u>(110,929)</u>	<u>(503,181)</u>	<u>(249,291)</u>
Administrative and general expenses	<u>(322,915)</u>	<u>(219,990)</u>	<u>(601,022)</u>	<u>(423,895)</u>
Net impairment losses on financial assets	<u>(34,128)</u>	<u>0</u>	<u>(34,128)</u>	<u>0</u>
Other income	<u>64,844</u>	<u>19,878</u>	<u>77,227</u>	<u>40,941</u>
Other expenses	<u>(43,298)</u>	<u>(25,227)</u>	<u>(64,726)</u>	<u>(26,553)</u>
Profit from operations	<u>1,392,506</u>	<u>593,409</u>	<u>1,791,250</u>	<u>640,601</u>
Finance cost	<u>(764,830)</u>	<u>(387,398)</u>	<u>(1,118,697)</u>	<u>(528,202)</u>
	<u>627,676</u>	<u>206,011</u>	<u>672,553</u>	<u>112,399</u>
Share of loss from Associated Companies	<u>9 (9,516)</u>	<u>0</u>	<u>(5,054)</u>	<u>(6,456)</u>
Profit before taxation	<u>618,160</u>	<u>206,011</u>	<u>667,499</u>	<u>105,943</u>
Taxation				
Group				
- current	(144,856)	(28,753)	(194,916)	(32,259)
- prior year	(41,938)	0	(41,938)	0
- deferred	10,882	(95,907)	86,971	(45,443)
	(175,912)	(124,660)	(149,883)	(77,702)
Associated Companies	9 6,081	0	(22)	(56)
	(169,831)	(124,660)	(149,905)	(77,758)
Profit after taxation	<u>448,329</u>	<u>81,351</u>	<u>517,594</u>	<u>28,185</u>
Attributable to :				
- Equity Holders of the Holding Company	187,381	4,080	251,604	(53,128)
- Non-controlling interest	260,948	77,271	265,990	81,313
	<u>448,329</u>	<u>81,351</u>	<u>517,594</u>	<u>28,185</u>
	----- Rupees -----			
Combined earnings / (loss) per share	<u>49.97</u>	<u>1.09</u>	<u>67.09</u>	<u>(14.17)</u>

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

 **CHIEF EXECUTIVE**  **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 Six Month Period Ended March 31, 2023

	Quarter ended		Six month period ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	----- Rupees in thousand -----			
Profit after taxation	<u>448,329</u>	<u>81,351</u>	<u>517,594</u>	<u>28,185</u>
Other comprehensive income				
Item that may be reclassified subsequently to profit or loss:				
Share of other comprehensive income from Associated Companies	4,722	0	5,594	8,052
Total comprehensive income	<u>453,051</u>	<u>81,351</u>	<u>523,188</u>	<u>36,237</u>
Attributable to:				
- Equity holders of the Holding Company	192,557	4,080	257,198	(45,076)
- Non-controlling interest	260,494	77,271	265,990	81,313
	<u>453,051</u>	<u>81,351</u>	<u>523,188</u>	<u>36,237</u>

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

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

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

**Consolidated Condensed Interim
Statement of Cash Flows (Un-audited)
For The Six Month Period Ended March 31, 2023**

	Six month period ended	
	March 31, 2023	March 31, 2022
	(Rupees in thousand)	
Cash flows from operating activities		
Profit for the period - before taxation	667,499	105,943
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	719,492	553,359
Depreciation on right-of-use assets	36,070	37,336
Depreciation on investment property	141	149
Loss from Associated Companies	5,054	6,456
Mark-up / profit on bank deposits and saving accounts	(8,972)	(4,709)
Un-claimed payable balances written-back	(151)	0
Gain on sale of operating fixed assets	(60)	(675)
Gain on redemption and re-measurement of short term investments to fair value	(1,490)	(1,238)
Finance cost	1,118,697	528,202
Profit before working capital changes	2,536,280	1,224,823
Effect on cash flows due to working capital changes		
(Increase) / decrease in current assets		
Stores and spares	(267,657)	(137,331)
Stock-in-trade	(11,089,372)	(9,340,225)
Trade debts	(1,702,889)	573,007
Loans and advances	(312,098)	(817,139)
Trade deposits, short term prepayments and other receivables	(559)	(3,728)
Sales tax refundable -net	0	(5,692)
Increase in trade and other payables	3,328,959	1,466,101
	(10,043,616)	(8,265,007)
Cash used in operations	(7,507,336)	(7,040,184)
Taxation - net	(136,092)	(88,008)
Security deposits	(1,254)	0
Staff retirement benefits - gratuity (net)	262	1,955
Net cash used in operating activities	(7,644,420)	(7,126,237)
Cash flows from investing activities		
Additions to property, plant and equipment	(1,865,300)	(2,985,624)
Sale proceeds of operating fixed assets	227	3,924
Short term investments - made	(318)	0
- redeemed	5,940	8,350
Mark-up / profit received on bank deposits and saving accounts	8,972	5,010
Net cash used in investing activities	(1,850,479)	(2,968,340)
Cash flows from financing activities		
Long term finances and loans from related parties - net	1,077,207	2,361,499
Lease liabilities - net	(75,159)	(67,995)
Government grant	108,710	(4,423)
Short term borrowings - net	9,309,903	8,078,224
Finance cost paid	(810,801)	(197,050)
Dividends paid	(10)	(72,413)
Net cash generated from financing activities	9,609,850	10,097,842
Net increase in cash and cash equivalents	114,951	3,265
Cash and cash equivalents - at beginning of the period	337,853	501,490
Cash and cash equivalents - at end of the period	452,804	504,755

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

**Consolidated Condensed Interim
Statement Of Changes In Equity (Un-Audited)
For The Six Month Period Ended March 31, 2023**

	----- Attributable to equity holders of the Holding Company -----						Non-controlling interest	Total equity	
	Reserves				Total				
	Share capital	Capital		General revenue					
Share redemption	Share redemption	Revaluation surplus on property, plant and equipment	General revenue	Unappropriated profit	Total				
----- Rupees in thousand -----									
Balance as at September 30, 2022	37,500	1	4,563,539	1,010,537	1,223,171	6,834,748	6,588,892	13,423,640	
Total comprehensive income:									
Profit for the six month period ended March 31, 2023	0	0	0	0	251,604	251,604	265,990	517,594	
Other comprehensive income	0	0	0	0	5,594	5,594	0	5,594	
Effect of items directly credited in equity by Associated Companies	0	0	0	0	257,198	257,198	265,990	523,188	
Transfer from revaluation surplus on property, plant and equipment (net of deferred taxation)	0	0	0	0	156,758	156,758	140,662	297,420	
- on account of incremental depreciation for the period of six month ended March 31, 2023	0	0	(156,758)	0	0	(156,758)	(140,662)	(297,420)	
Balance as at March 31, 2023	37,500	1	4,406,781	1,010,537	1,637,806	7,092,625	6,854,882	13,947,507	
Balance as at September 30, 2021	37,500	1	3,874,361	1,010,537	1,190,299	6,112,698	5,340,303	11,453,001	
Transaction with owners:									
- Cash dividend at the rate of Rs.5.00 per ordinary share for the year ended September 30, 2021	0	0	0	0	0	0	(74,705)	(74,705)	
Total comprehensive income:									
Loss for the six month period ended March 31, 2022	0	0	0	0	(53,128)	(53,128)	81,313	28,185	
Other comprehensive income	0	0	0	0	8,052	8,052	0	8,052	
Effect of items directly credited in equity by Associated Companies	0	0	0	0	(45,076)	(45,076)	81,313	36,237	
Transfer from revaluation surplus on property, plant and equipment (net of deferred taxation)	0	0	0	0	116,998	116,998	94,631	211,629	
- on account of incremental depreciation for the period of six month ended March 31, 2022	0	0	(116,998)	0	0	(116,998)	(94,631)	(211,629)	
Balance as at March 31, 2022	37,500	1	3,757,363	1,010,537	1,262,928	6,068,329	5,346,911	11,415,240	

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

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

For The Six Month Period Ended March 31, 2023

1. The Group and its operations

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

The Holding Company was incorporated on July 24, 1944 as a Public Company and its shares are quoted on Pakistan Stock Exchange Ltd. The Holding Company is principally engaged in manufacture and sale of white sugar and spirit. The Holding Company's Mills and Registered Office are located at Mardan (Khyber Pakhtunkhwa) whereas the Head Office is situated at King's Arcade, 20-A, Markaz F-7, Islamabad. The Holding Company has shifted its distillery from Mardan to Ramak, Dera Ismail Khan during the financial year ended September 30, 2020.

1.2 Subsidiary Companies and Sub-subsidiary Companies

(a) Chashma Sugar Mills Ltd.(CSML)

CSML was incorporated in Pakistan on May 05, 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. 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 allied 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.

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) Whole Foods (Pvt.) Ltd.(WFPL)

WFPL - 100% owned Subsidiary of CSML was incorporated in Pakistan as a Private Limited Company under the Companies Act, 2017 on October 26, 2017. The principal activity of WFPL is to set-up, manage, supervise and control the storage facilities for agricultural produce.

(c) Ultimate Whole Foods (Pvt.) Ltd.(UWFPL)

UWFPL (Subsidiary of CSML) was incorporated in Pakistan as a Private Limited Company under the 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 operations of UWFPL have not yet been started. CSML holds 72% shares of UWFPL.

(d) 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 paragraph 1.2(c) to the consolidated financial statements for the year ended September 30, 2022. The principal activity of FSM was 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.

Going concern basis

The financial statements of FSM have been prepared on going concern basis despite the uncertainties detailed below that may cast doubt about FSM's ability to continue as a going concern:

- FSM's production facilities are closed since the year 2008 due to diversion of entire sugarcane crop to Gur making;
- the small size of the plant is not economical to run; and
- FSM has been suffering losses over the years; accumulated loss as at March 31, 2023 aggregated Rs.119.827 million.

The financial statements of FSM have been prepared on going concern basis as the management is exploring different avenues / options for future purposes, which include but are not limited to flour mills and other industrial / commercial projects. The management is of the view that with the start of these projects, FSM will be able to cover losses and continue as a going concern. FSM is in possession of property, plant and equipment having carrying values of Rs.1.150 billion at the reporting date, which may be utilised for proposed future projects. Further, being part of Premier Group of Companies, FSM also enjoys financial backing from the Group.

1.3 For the purpose of these condensed interim consolidated financial statements, the Holding Company, CSML and its Subsidiaries and FSM are referred to as the Group.

2. Basis of preparation

2.1 Statement of compliance

These condensed interim consolidated financial statements (the interim consolidated financial statements) for six month period ended March 31, 2023 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 of the information required for full annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Group as at and for the year ended September 30, 2022. Selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the Group's financial position and performance since the last annual audited consolidated financial statements.

2.3 These interim consolidated financial statements are un-audited and are being submitted to the members as required by section 237 of the Companies Act, 2017.

2.4 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 plans (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.

2.5 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 adopted for the preparation of these interim consolidated financial statements are the same as those applied in the preparation of audited consolidated financial statements of the Group as at and for the year ended September 30, 2022.

3.1 Initial application of standards, amendments or an interpretation to existing standards

a) Standards, amendments and interpretations to accounting standards that are effective in the current period

There were certain amendments to accounting and reporting standards which became mandatory for the Group during the period. However, these do not have any significant impact on the Group's financial reporting and, therefore, have not been detailed in these condensed interim consolidated financial statements.

b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

There are certain amendments to the accounting and reporting standards that will be mandatory for the Group's annual accounting periods beginning on or after October 01, 2023. However, these amendments will not have any significant impact on the financial reporting of the Group and, therefore, have not been disclosed in these condensed interim consolidated financial statements.

4. Accounting estimates and judgements

4.1 The preparation of these interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

4.2 In preparing these interim consolidated financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended September 30, 2022.

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

These 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 six month period ended March 31, 2023. The Holding Company's direct interest, as at March 31, 2023 and September 30, 2022, 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. 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 month of the year.

7. Property, plant and equipment

		Un-audited March 31, 2023	Audited Sep. 30, 2022
	Note	(Rupees in thousand)	
Operating fixed assets	7.1	17,170,837	17,539,115
Capital work-in-progress	7.2	5,317,112	3,802,083
Advance against leased vehicle		0	1,110
		22,487,949	21,342,308

	Note	Un-audited March 31, 2023 Rupees in thousand
7.1 Operating fixed assets		
Book value as at September 30, 2022 audited		17,539,115
Additions during the period:		
- buildings and roads		24,142
- plant and machinery		271,726
- electric installations		23,989
- office equipment		12,050
- furniture and fixtures		10,266
- vehicles		9,208
		<u>351,381</u>
Book value of operating fixed assets disposed-off during the period		(167)
Depreciation charge for the period		(719,492)
Book value as at March 31, 2023 un-audited		<u>17,170,837</u>
7.2 Capital work-in-progress		
At beginning of the period		3,802,083
Add: additions during the period	7.3	1,982,162
Less: capitalised / adjusted during the period		(467,133)
Balance at end of the period		<u>5,317,112</u>
7.3 Additions during the period		
- land and building		513,888
- plant and machinery		698,557
- electric installations		51,699
- office equipment		237
- vehicles - owned		1,105
- leased		49,693
- capital stores		75,660
- advance payments to contractors		590,323
- advance payments against freehold land and buildings		1,000
		<u>1,982,162</u>
8. Right-of-use assets		
Book value at beginning of the period audited		284,233
Additions during the period		95,855
Depreciation charge for the period		(36,070)
Book value at end of the period un-audited		<u>344,018</u>

	Note	Un-audited March 31, 2023 (Rupees in thousand)	Audited Sep. 30, 2022
9. 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		166,364	
		<u>172,002</u>	
Add: share for the period:			
- loss		(5,054)	
- other comprehensive income		5,594	
- items directly credited in equity		679	
Less: taxation		(22)	
		<u>1,197</u>	
Balance at end of the period un-audited		<u>173,199</u>	
10. Stores and spares			
10.1 FSM has not carried-out manufacturing operations during the current period and prior years. The management, during the financial year ended September 30, 2021, had carried out a detailed exercise to identify obsolete / damaged stores and spares inventory. Carrying values of the stores and spares inventory were adjusted accordingly as at September 30, 2021.			
10.2 Stores and spares include items which may result in fixed capital expenditure but are not distinguishable.			
11. Stock-in-trade			
Finished goods:			
- sugar		10,230,990	1,854,923
- molasses	11.1	3,503,903	1,352,158
- ethanol		1,034,630	910,663
- bagasse	11.1	436,236	0
		<u>15,205,759</u>	<u>4,117,744</u>
Work-in-process		23,985	22,628
		<u>15,229,744</u>	<u>4,140,372</u>
11.1 Molasses and bagasse are used both for internal consumption as well as for sales to external parties.			
11.2 Certain short term and long term borrowings of the Group are secured by way of collateral charge on stock-in-trade.			

	Un-audited March 31, 2023	Audited Sep. 30, 2022
	(Rupees in thousand)	
12. Trade debts - unsecured		
Considered good	1,792,117	89,228
Considered doubtful	1,782	1,782
	<u>1,793,899</u>	<u>91,010</u>
Less: loss allowance	1,782	1,782
	<u>1,792,117</u>	<u>89,228</u>
13. Loans and advances		
Advances to:		
- employees - secured	15,432	14,640
- suppliers and contractors - unsecured	1,772,384	1,284,961
Letters of credit	14,088	189,022
Due from relative of director	592	1,775
	<u>1,802,496</u>	<u>1,490,398</u>
Less:		
- provision for doubtful advances	28,838	28,838
- loss allowance	905	905
	<u>29,743</u>	<u>29,743</u>
	<u>1,772,753</u>	<u>1,460,655</u>
14. Trade deposits, short term prepayments and other receivables		
Sugar export subsidy receivable	308,510	308,510
Prepayments	14,278	6,623
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.)	2,140	2,140
Guarantees issued	19,000	19,000
Trade deposits	6,606	8,212
Sales tax	15,071	0
Deposits against decretal amounts	2,862	2,862
Other receivables	46,242	32,675
	<u>417,863</u>	<u>383,176</u>
Less: loss allowance	(124,497)	(90,369)
	<u>293,366</u>	<u>292,807</u>

	Un-audited March 31, 2023	Audited Sep. 30, 2022
	(Rupees in thousand)	
15. Short term investments - At fair value through profit or loss		
First Habib Cash Fund		
Opening balance - 247,315 Units (2022: 344,001 Units)	25,237	34,697
Investment made during the period - 3,183 Units	318	0
Gain on redemption / re-measurement to fair value	1,490	2,790
Bonus received during the period / year - 14,683 Units (2022: 24,243 Units)	0	0
Units redeemed during the period / year - 58,314 Units (2022: 120,929 Units)	(5,940)	(12,250)
Closing balance - 206,867 Units (2022: 247,315 Units)	<u>21,105</u>	<u>25,237</u>
16. Bank balances		
16.1 Bank balances include deposits amounting Rs.3.734 million (September 30, 2022: Rs.3.734 million), which are under lien of a bank against guarantees issued in favour of Sui Northern Gas Pipelines Ltd. on behalf of the Holding Company.		
16.2 The Securities and Exchange Commission of Pakistan winding-up petition filed against Innovative Investment Bank Ltd. 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 amounts only. The Group, during July, 2020, had received second tranche of Rs.22 million vide the LHC's order dated March 12, 2020. The Group, during November, 2020, had received the third tranche of Rs.24 million from JOLs as per the LHC's order dated October 01, 2020. The management, for the release of balance amounts of Rs.12 million, 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.		
The Holding Company and FSM have not accrued profit on these deposits during the current period and preceding financial years.		
16.3 There is no significant change in the status of matter as disclosed in note 17.6 to the audited consolidated financial statements of the Group for the year ended September 30, 2022. The appeal filed by State Bank Pakistan was remanded-back to Additional District Judge, Peshawar. The appeal was disposed-off vide judgment dated November 29, 2019. The judgment states that the Holding Company is entitled to recover Rs.5 million with profit at the rate of 12.5% per annum from National Bank of Pakistan from the year 1999. The said execution petition is pending adjudication. Full provision for the said deposit amounting Rs.5 million exists in the books of account of the Holding Company.		

		Un-audited March 31, 2023 (Rupees in thousand)	Audited Sep. 30, 2022
17. Long term finances -secured CSML and its Subsidiaries	Note		
Bank Al-Habib Ltd.		2,774,142	2,604,361
Soneri Bank Ltd.		1,063,727	693,753
Dubai Islamic Bank Pakistan Ltd.		350,000	547,493
MCB Bank Ltd.		577,429	264,528
Al-Baraka Bank (Pakistan) Ltd.		446,715	446,715
The Bank of Khyber		389,615	395,726
United Bank Ltd.		450,000	0
	17.1	6,051,628	4,952,576
Less:			
Amounts payable within next 12 months grouped under current liabilities - Principal		688,697	760,783
Amount due after March 31, 2024		5,362,931	4,191,793
17.1			
These represent term and demand finance obtained by CSML and its Subsidiaries 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 + 2.10% 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 its Subsidiaries and first / joint pari passu charge by way of equitable mortgage on all present and future immovable fixed assets of CSML and its Subsidiaries, pledge of sugar stock and lien on export contract / LC.			
18. Loans from related parties - secured			
Premier Board Mills Ltd.	18.1	81,207	90,575
Arpak International Investments Ltd.	18.2	37,500	43,750
Aztrak Enterprises (Pvt.) Ltd.	18.3	85,000	85,000
		203,707	219,325
Less: amount payable within next twelve months		40,611	37,486
		163,096	181,839
18.1			
This includes long term finance facilities obtained by CSML and its Subsidiary. The long term finance facility was renewed on November 04, 2019. The principal is repayable in 7 semi annual instalments commenced 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 by the Subsidiary of CSML. The principal is repayable in 8 semi annual instalments commenced 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.			
18.2	The long term finance facility was renewed on November 04, 2019. The principal is repayable in 7 semi annual instalments commenced 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.		
18.3	The long term finance facility has been renewed on January 03, 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. This loan is secured against promissory note from CSML.		
19. Lease liabilities - secured	Note	Un-audited March 31, 2023 Rupees in thousand	
Balance at beginning of the period - audited		237,007	
Additions during the period		80,337	
Unwinding of interest on lease liabilities		21,450	
Payments / adjustments made during the period		(76,269)	
Balance at end of the period -un-audited		262,525	
Less: current portion grouped under current liabilities		(91,991)	
		170,534	
20. Deferred liabilities			
Deferred taxation			
- The Holding Company		98,167	83,747
- FSM		4,429	4,429
- CSML		3,090,255	3,193,056
		3,192,851	3,281,232
Staff retirement benefits - gratuity			
- The Holding Company		26,427	28,697
- FSM		66	66
- CSML		17,375	14,843
		43,868	43,606
Government grant - CSML		90,093	417
		3,326,812	3,325,255

		Un-audited March 31, 2023 (Rupees in thousand)	Audited Sep. 30, 2022
21. Trade and other payables	Note		
Creditors		2,466,726	342,752
Due to related parties	21.1	334,267	148,649
Accrued expenses		225,890	139,857
Retention money		30,489	24,496
Security deposits		2,756	1,915
Advance payments from customers		1,281,652	231,479
Income tax deducted at source		78,431	64,062
Sales tax payable		2,238	110,651
Gratuity payable to ex-employees		6,062	6,199
Advance received against sale of scrap		2,024	2,024
Payable for workers' welfare obligations		65,139	53,965
Payable to provident fund		5,619	6,000
Payable to employees		76,978	77,446
Others		8,556	48,373
		<u>4,586,827</u>	<u>1,257,868</u>
21.1 This represents amounts due to:			
- Azlak Enterprises (Pvt.) Ltd.		30,997	48,649
- Syntron Ltd.		85,873	0
- Syntronics Ltd.		98,717	0
- Directors		118,680	100,000
		<u>334,267</u>	<u>148,649</u>
22. Short term borrowings			
The Holding Company :			
Secured		1,008,985	701,000
Unsecured - temporary bank overdraft		13,544	0
CSML :			
- Cash / running finances - secured	22.1	9,540,269	2,601,895
- Export refinances - secured	22.1	3,750,000	1,700,000
		<u>14,312,798</u>	<u>5,002,895</u>

22.1 These cash, running and export re-finance facilities 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.

		Un-audited March 31, 2023 (Rupees in thousand)	Audited Sep. 30, 2022
23. Current portion of non-current liabilities	Note		
Long term finances - the Holding Company	23.1	0	6,227
Long term finances - CSML & its Subsidiaries	17	688,697	760,783
Loans from related parties	18	40,611	37,486
Lease liabilities	19	91,991	90,404
Government grant		19,035	1
		<u>840,334</u>	<u>894,901</u>

23.1 These finances were obtained during the financial year ended September 30, 2020 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 carried profit at SBP rate + 3%; the effective mark-up rate during the period was 3% per annum. This finance facility was repayable in 8 equal quarterly instalments commenced from January, 2021 and was 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. The outstanding balance of this finance facility was fully repaid during the period.

24. Contingencies and commitments

The Holding Company

- 24.1** No commitments were outstanding as at March 31, 2023 and September 30, 2022.
- 24.2** 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.
- 24.3** Petitions filed before the Supreme Court of Pakistan (SCP) against imposition of Gas Infrastructure Development Cess (GIDC) were dismissed vide judgment dated August 13, 2020. 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 would be collected while the GIDC amount that had become due up to July 31, 2020 would be recovered in 24 equal monthly instalments. Based on this judgment, the Holding Company had filed a writ petition before the PHC challenging the demand of GIDC arrears amounting Rs.29.936

million on the ground that the Holding Company had not passed on GIDC burden to its customers.

PHC, vide its judgment dated June 15, 2022, has dismissed the petition filed by the Petitioners; the PHC, however allowed the Petitioners to approach a competent Court of law / forum having jurisdiction in the matter, if they so advised.

The Holding Company, during the financial year ended September 30, 2022, has filed a civil suit before the Civil Judge, Peshawar challenging the demand of GIDC arrears through the impugned additional bills without determination of alleged passing on the burden to the end consumers. The said civil suit is pending adjudication.

- 24.4 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 was fixed at Rs.12,000 per month with effect from July 01, 2014 was 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, which was also dismissed. The additional wage liabilities aggregate Rs.2.359 million approximately. The Holding Company has filed a civil petition for leave to appeal before the Supreme Court of Pakistan, which is pending adjudication.
- 24.5 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)} was 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.
- 24.6 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.
- 24.7 The Holding Company has filed a writ petition before the PHC challenging Federal Government Order No.1(1)2020 ROP dated July 16, 2021 and Provincial Government Order No.13/12-Sugar/IND / Vol-V / 7862 dated July 16, 2021 issued under section 6 of the Price Control and Prevention of Profiteering and Hoarding Act, 1977 whereby the retail price of sugar at the rate of Rs.88.24 per kilo gram was fixed. The PHC, vide its order dated July 30, 2021, has allowed interim relief and ordered that in the meanwhile status quo be maintained.

- 24.8 The Holding Company has filed a writ petition before the PHC and challenged the KPRA powers & functions and the Show Cause Notice No. 7(02) KPRA / WH - ADC / SCN / 2021 / 1889 dated April 27, 2021 regarding sales tax aggregating Rs.93.949 million for the period from 2015 to 2019. The petition is pending adjudication.
- 24.9 The KPRA Authorities have issued Show Cause Notice (SCN) to the Holding Company for having allegedly not deducting sales tax on services from the service providers during the period relevant to tax years 2015 to 2019. The vires of SCN have been challenged before the Assistant Collector, who imposed tax at Rs.23.156 million vide order No. 77 / 2022 dated March 09, 2022. The order has been assailed before the Collector Appeals, who vide his order dated April 21, 2022 has set aside the impugned order. The KPRA has filed further appeal before the Appellate Tribunal Sales Tax on Services, Peshawar, in which hearing has been completed but order has not yet been finalized.
- 24.10 The Holding Company has filed an appeal before the Competition Appellate Tribunal against Sugar Enquiry Order dated August 13, 2021 passed by the Competition Commission of Pakistan (CCP) in SCN No. 138 / 2020. Interim relief has been granted while main appeal is pending.
- 24.11 A SCN is pending before the CCP, which was served upon the Holding Company for the year 2009. The said SCN is pending.
- 24.12 A SCN is pending before the CCP, which was served upon the Holding Company for the year 2021. The reply of SCN is submitted during November, 2021. The said SCN is also pending.
- 24.13 Various cases have been filed against the Holding Company by some former employees. Based on legal advice, no provision has been made in the books of
- 24.14 Guarantees given to Sui Northern Gas Pipelines Ltd. by commercial banks on behalf of the Holding Company outstanding as at March 31, 2023 were for Rs.37.340 million (September 30, 2022: Rs.37.340 million).

FSM

- 24.15 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, 2022.

CSML and its Subsidiaries

- 24.16 There has been no significant change in the status of contingencies as disclosed in notes 30.14 to 30.16 to the audited consolidated financial statements of the Group for the year ended September 30, 2022, except for the following:
- In respect of super tax demand under section 4C of the Income Tax Ordinance, 2001 for the tax year 2022 @ 10% of taxable income, CSML had filed writ petition before Peshawar High Court, and an interim relief was granted, directing CSML to 50% of the tax demanded. However, during the year, the Federal Board of Revenue (FBR) sent a notice to CSML directing it to pay super tax @ 4%, based on Supreme Court's order in respect of other companies wherein the Supreme Court of Pakistan granted an interim relief against demand of super tax at the rate of 10% and directed FBR to recover the tax @ 4%. Management has recorded a current tax charge of Rs 41.900 million during the period in respect of super tax @ 4%. CSML and its legal counsel are confident that maximum exposure of CSML in respect of super tax for tax

year 2022 is 4%. Accordingly, no further provision has been made in the financial statements of CSML.

24.17 In case of CSML, commitments in respect of :	Un-audited	Audited
	March 31, 2023	Sep. 30, 2022
	(Rupees in thousand)	
- foreign letters of credit for purchase of plant & machinery	<u>6,671</u>	<u>739,238</u>
- local letters of credit for purchase of plant & machinery	<u>191,532</u>	<u>207,519</u>
- capital expenditure other than for letters of credit	<u>212,945</u>	<u>104,683</u>

25. Operating segment

The Holding Company's reportable segments are as follows:

- Sugar
- Distillery

25.1 Segment operating results of the Holding Company for the six month period ended March 31, 2023

	Sugar Division		Ethanol Division		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
----- Rupees in thousand -----						
Sales						
- Local	304,212	25,536	63,879	33,208	368,091	58,744
- Export	0	0	638,774	261,501	638,774	261,501
	304,212	25,536	702,653	294,709	1,006,865	320,245
Less : sales tax	44,634	804	9,329	4,833	53,963	5,637
Sales - net	259,578	24,732	693,324	289,876	952,902	314,608
Cost of sales	(282,684)	(214,667)	(472,039)	(173,005)	(754,723)	(387,672)
Gross (loss) / profit	(23,106)	(189,935)	221,285	116,871	198,179	(73,064)
Distribution cost	(2,794)	(868)	(25,599)	(22,169)	(28,393)	(23,037)
Administrative expenses	(49,577)	(29,844)	0	0	(49,577)	(29,844)
	(52,371)	(30,712)	(25,599)	(22,169)	(77,970)	(52,881)
(Loss) / profit form operations (segment results)	(75,477)	(220,647)	195,686	94,702	120,209	(125,945)
Other income					26,023	94,987
Other expenses					(19,146)	(788)
					6,877	94,199
					127,086	(31,746)
Finance cost					(82,496)	(21,121)
Profit / (loss) before taxation					44,590	(52,867)
Taxation					(26,632)	2,457
Profit / (loss) after taxation					17,958	(50,410)
	Assets		Liabilities			
	March 31, 2023	Sep.30, 2022	March 31, 2023	March 31, 2022		
----- Rupees in thousand -----						
Sugar	3,192,607	2,395,209	2,122,244	1,436,675		
Ethanol	218,444	230,545	253,353	171,583		
Total for reportable segment	3,411,051	2,625,754	2,375,597	1,608,258		

25.2 Segment operating results of CSML for the six month period ended March 31, 2023 (un-audited)

	Sugar Division		Ethanol Division		Total	
	Six month period ended March 31, 2023	March 31, 2022	Six month period ended March 31, 2023	March 31, 2022	Six month period ended March 31, 2023	March 31, 2022
----- Rupees in thousand -----						
Sales						
-External customers	8,690,933	5,776,080	3,870,658	2,184,027	12,561,591	7,960,107
-Intersegment	1,281,514	912,033	0	0	1,281,514	912,033
	9,972,447	6,688,113	3,870,658	2,184,027	13,843,105	8,872,140
Less : sales tax and others	(1,166,541)	(855,590)	(51,060)	(48,462)	(1,217,601)	(904,052)
Sales - net	8,805,906	5,832,523	3,819,598	2,135,565	12,625,504	7,968,088
Segment expenses:						
Cost of sales	(7,576,808)	(4,928,914)	(1,072,197)	(753,129)	(8,649,005)	(5,682,043)
Less: Intersegment cost	0	0	(1,281,514)	(912,033)	(1,281,514)	(912,033)
	(7,576,808)	(4,928,914)	(2,353,711)	(1,665,162)	(9,930,519)	(6,594,076)
Gross profit	1,229,098	903,609	1,465,887	470,403	2,694,985	1,374,012
Selling and distribution expenses	(134,250)	(31,415)	(340,538)	(194,839)	(474,788)	(226,254)
Administrative and general expenses	(345,595)	(277,692)	(140,881)	(89,115)	(486,476)	(366,807)
Net impairment losses on financial assets	(34,128)	0	0	0	(34,128)	0
Others	0	0	0	0	(57,440)	(32,281)
	(513,973)	(309,107)	(481,419)	(283,954)	(1,052,832)	(625,342)
Profit from operations	715,125	594,502	984,468	186,449	1,642,153	748,670
Other income	73,598	21,219	2,651	2,285	76,249	23,504
Others	0	0	0	0	276	362
Other expenses	(45,580)	(25,765)	0	0	(45,580)	(25,765)
	28,018	(4,546)	2,651	2,285	30,945	(1,899)
Segment results	743,143	589,956	987,119	188,734	1,673,098	746,771
Finance cost					(1,036,195)	(507,077)
Profit before taxation					636,903	239,694
Taxation					(122,971)	(80,304)
Profit for the period					513,932	159,390
Segment assets and liabilities						
	Un-audited		Audited			
	March 31, 2023		September 30, 2022			
	Assets	Liabilities	Assets	Liabilities		
----- Rupees in thousand -----						
Sugar	27,576,734	21,502,103	17,389,270	11,281,220		
Ethanol	9,309,745	4,169,519	6,635,732	2,083,503		
Total for reportable segment	36,886,479	25,671,622	24,025,002	13,364,723		
Others	2,828,553	2,307,713	1,747,203	1,185,717		
Total assets / liabilities	39,715,032	27,979,335	25,772,205	14,550,440		

26. Transactions with related parties

The Group has related party relationship with its Associated Companies, employee benefit plans, 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	
	Six month period ended	
	March 31, 2023	March 31, 2022
	(Rupees in thousand)	
The Holding Company		
Associated Companies		
Purchase of store items	13,157	0
Rental income	0	1,271
Expenses paid on behalf of the Holding Company	7,281	2,263
Key management personnel		
Salaries and other benefits	3,834	3,380
CSML		
Associated Undertakings		
Services	18,333	15,283
Expenses paid by Associated Companies	404	1,350
Purchase of goods	256,941	167,195
Dividend paid	0	26,877
Mark-up charged	18,758	12,798
Post employment benefit		
Expense charged in respect of retirement benefit plan	15,586	10,218
Key management personnel / Directors		
Salaries and other benefits	90,514	76,476
Dividend paid	0	19,103
Advance against sale of floor area - building	0	100,000

27. Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

These interim consolidated financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial

statements, and should be read in conjunction with the Group's annual financial statements as at and for the year ended September 30, 2022.

There have been no changes in the risk management department or in any risk management policies since the year ended September 30, 2022.

Fair value estimation

During the period, there were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities. Further, there were no reclassifications of financial assets.

28. Corresponding figures

The comparative condensed interim consolidated 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, 2022, whereas the comparative condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of other comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows have been extracted from the un-audited condensed interim consolidated financial statements for the period ended March 31, 2022.

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 May 26, 2023.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER