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



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

**CONDENSED INTERIM
UNCONSOLIDATED FINANCIAL INFORMATION
FOR THE NINE MONTHS PERIOD
ENDED JUNE 30, 2023
(UN-AUDITED)**

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. Najda Sarfaraz	Director
Mr. Iskander M. Khan	Director
Mr. Shahbaz Haider Agha	Independent Director
Mr. Salman Ahmad	Independent Director

Company Secretary

Mr. Mujahid Bashir

Chief Financial Officer

Mr. Rizwan Ullah Khan

Head of Internal Audit

Mr. Zaheer Mir

Auditors

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

Tax Consultants

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

Legal Advisor

Mr. Isaac Ali Qazi
Advocate

Shares Registrar

M/s. Hameed Majeed Associates (Pvt.) 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 nine months' period that ended on June 30, 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.

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, 2023.

DISTILLERY

The Distillery Plant produced 3,347 MT of Ethanol during the nine-month period ended on June 30, 2023.

FINANCIAL PERFORMANCE

The low crushing resulting in high production cost. The company earned profit after taxation of Rs. 13.576 million (2022: loss of Rs. 78.289 million) during the nine months' period ended on June 30, 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.

ON BEHALF OF THE BOARD

Mardan:
July 25, 2023


(ABBAS SARFARAZ KHAN)
Chief Executive


(ISKANDER M. KHAN)
Director

ڈپٹری

اہتھنول فیول پلانٹ نے 30 جون 2023 کو اختتام ہونے والے نومہ کے دوران MT3,347 اہتھنول کی پیداوار کی۔

اکاؤنٹنگ کی پالیسیاں

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

اعتراف

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

منجانب بورڈ



اسکندر محمد خان

ڈائریکٹر



عباس سرفراز خان

چیف ایگزیکٹو آفیسر

مردان

بتاریخ: 25 جولائی 2023

دی پریسمیر شوگر ملز اینڈ ڈسٹری بیوٹرز کمپنی لمیٹڈ

ڈائریکٹرز کی جائزہ رپورٹ

ڈائریکٹرز 30 جون 2023 کو ختم ہونے والے نومہ کی اختتامی مدت پر غیر آڈٹ شدہ کنڈنسڈ انٹیریم مالیاتی معلومات پیش کرنے پر مسرت محسوس کرتے ہیں۔ یہ کنڈنسڈ مالیاتی معلومات حصص داروں کو انٹرنیشنل اکاؤنٹنگ کے قواعد نمبر 34 انٹیریم فنانشل رپورٹنگ کمپنی ایکٹ 2017 (دی ایکٹ) کے سیکشن 237 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشن 2019 کے مطابق ہیں۔

آپریشنل کارکردگی

گنے کا کرشنگ سیزن 2022-23 کا آغاز 01 نومبر 2022 کو شروع ہوا۔ ملز نے 102,302 ٹن گنا کرش کیا اور 10,536 ٹن چینی کی پیداوار 31 جنوری 2023 تک کی۔

مالیاتی کارکردگی

کم کرشنگ کے نتیجے میں پیداواری لاگت زیادہ رہی۔ 30 جون 2023 کو اختتام ہونے والے نومہ کے دوران کمپنی کو ٹیکس کے بعد کا منافع 13.576 ملین روپے رہا جبکہ (2022 میں 78.289 ملین روپے نقصان) تھا۔

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM
STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2023

		Un-audited June 30, 2023	Audited Sep. 30, 2022
		(Rupees in thousand)	
Assets	Note		
Non-current Assets			
Property, plant and equipment	5	1,090,304	1,160,797
Investment property		19,971	20,183
Long term investments	6	170,006	170,006
Security deposits		1,809	1,309
		<u>1,282,090</u>	<u>1,352,295</u>
Current Assets			
Stores and spares		117,544	106,710
Stock-in-trade	7	715,531	760,503
Trade debts, unsecured-considered good		51,627	45,071
Advances	8	44,441	250,244
Trade deposits and short term prepayments	9	5,303	4,017
Due to Subsidiary Company		221,111	0
Other receivables	10	11,187	9,910
Sales tax refundable		167	417
Income tax refundable, advance tax and tax deducted at source		40,447	20,280
Bank balances	11	41,524	71,665
		<u>1,248,882</u>	<u>1,268,817</u>
Non-current assets classified as held for sale		4,642	4,642
		<u>2,535,614</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		692,780	732,941
General revenue reserve		900,000	900,000
Accumulated loss		(599,209)	(652,946)
Shareholders' Equity		<u>1,031,072</u>	<u>1,017,496</u>
Non-current Liabilities			
Long term finances	12	0	0
Lease liabilities		3,698	0
Government grant		0	0
Staff retirement benefits - gratuity		27,458	28,697
Deferred taxation		96,238	83,747
		<u>127,393</u>	<u>112,444</u>
Current Liabilities			
Trade and other payables	13	235,285	220,316
Unclaimed dividends		7,470	7,470
Accrued mark-up		29,244	2,791
Short term borrowings		520,249	701,000
Current portion of non-current liabilities	14	1,018	6,439
Taxation		43,916	17,833
		<u>837,183</u>	<u>955,849</u>
Liabilities directly associated with non-current assets classified as held for sale		539,965	539,965
Total Liabilities		<u>1,504,541</u>	<u>1,608,258</u>
Contingencies and Commitments	15		
Total Equity and Liabilities		<u>2,535,614</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 NINE MONTHS PERIOD ENDED JUNE 30, 2023

	Note	For the Quarter		Nine Months Ended	
		April-June 2023	April-June 2022	Oct.-June 2023	Oct.-June 2022
		----- Rupees in thousand -----			
Sales	16	1,359,333	261,003	2,366,198	581,248
Less : sales tax		(21,464)	(10,406)	(75,427)	(16,043)
Sales - net		<u>1,337,869</u>	<u>250,597</u>	<u>2,290,771</u>	<u>565,205</u>
Cost of sales		(1,229,832)	(233,327)	(1,984,555)	(620,999)
Gross profit / (loss)		<u>108,037</u>	<u>17,270</u>	<u>306,216</u>	<u>(55,794)</u>
Distribution cost		(33,912)	(19,466)	(62,305)	(42,503)
Administrative expenses		(19,429)	(16,061)	(68,962)	(45,905)
Other income	17	0	3,253	25,979	98,240
Other expenses	18	4,880	0	(14,266)	(788)
Profit / (Loss) from operations		<u>59,576</u>	<u>(15,004)</u>	<u>186,662</u>	<u>(46,750)</u>
Finance cost		(52,015)	(18,286)	(134,511)	(39,407)
Profit / (Loss) before taxation		<u>7,561</u>	<u>(33,290)</u>	<u>52,151</u>	<u>(86,157)</u>
Taxation	19	(11,943)	5,411	(38,575)	7,868
(Loss) / Profit after taxation		<u>(4,382)</u>	<u>(27,879)</u>	<u>13,576</u>	<u>(78,289)</u>
Other comprehensive income		0	0	0	0
Total comprehensive (loss) / income		<u>(4,382)</u>	<u>(27,879)</u>	<u>13,576</u>	<u>(78,289)</u>
		----- Rupees -----			
(Loss) / earning per share		<u>(1.17)</u>	<u>(7.43)</u>	<u>3.62</u>	<u>(20.88)</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 CASH FLOWS (UN-AUDITED)**

FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 2023

	Nine Months Ended	
	June 30, 2023	June 30, 2022
	(Rupees in thousand)	
Cash flows from operating activities		
Profit / (loss) for the period - before taxation	52,151	(86,157)
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	79,706	87,807
Depreciation on investment property	212	223
Uncollectible receivable balances written-off	110	0
Unclaimed payable balances written-back	(151)	0
Mark-up on loan to Subsidiary Company and profit on bank deposits	(1,733)	(1,302)
Gain on sale of vehicles	(145)	(584)
Staff retirement benefits - gratuity (net)	(1,520)	1,624
Dividends from Subsidiary Company and Associated Company	0	(68,755)
Finance cost	134,511	39,407
Profit/(loss) before working capital changes	263,141	(27,737)
Effect on cash flows due to working capital changes		
Decrease / (increase) in current assets:		
Stores and spares	(10,834)	3,140
Stock-in-trade	44,972	(513,266)
Trade debts	(6,556)	120,526
Advances	205,803	(98,953)
Due from Subsidiary Company	(221,111)	0
Trade deposits and short term prepayments	(1,286)	(864)
Other receivables	(1,387)	7,528
Sales tax refundable	250	(2,745)
Increase / (decrease) in trade and other payables	15,401	59,942
	25,252	(424,692)
Net Cash generated from / (used in) operations	288,393	(452,429)
Income tax paid	(500)	0
Income tax paid	(20,168)	(17,451)
Net cash generated from/ (used in) operating activities	267,725	(469,880)
Cash flows from investing activities		
Additions to property, plant and equipment	(9,848)	(462)
Sale proceeds of vehicles	780	2,871
Advance received against non-current assets classified as held for sale	0	250,000
Dividends received	0	68,755
Mark-up / profit received on loan to Subsidiary Company and bank deposits	1,733	1,302
Net cash generated from / (used in) investing activities	(7,335)	322,466
Cash flows from financing activities		
Long term finances repaid	(6,228)	(18,640)
Decrease in long term loan to a Subsidiary Company	0	0
Lease finances - net	4,505	(1,771)
Short term borrowings - net	(180,751)	188,498
Dividends paid	0	0
Finance cost paid	(108,058)	(34,025)
Net cash (used in) / generated from financing activities	(290,532)	134,062
Net (decrease)/ increase in cash and cash equivalents	(30,142)	(13,352)
Cash and cash equivalents - at beginning of the period	71,665	52,773
Cash and cash equivalents - at end of the period	41,523	39,421

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 NINE MONTHS PERIOD ENDED JUNE 30, 2023

	Share capital	Reserves		Revaluation surplus on Property, plant and equipment	Accumulated loss	Total	
		Capital	Revenue				
	Share redemption	General	Sub-total				
----- Rupees in thousand -----							
Balance as at September 30, 2021	37,500	1	900,000	900,001	792,005	(608,932)	1,120,574
Total comprehensive income / (loss) for the period							
Loss after taxation for the nine months ended June 30, 2022	0	0	0	0	0	(78,289)	(78,289)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the period -net of deferred taxation	0	0	0	0	(44,298)	44,298	0
Balance as at June 30, 2022	37,500	1	900,000	900,001	747,707	(642,923)	1,042,285
Total comprehensive income / (loss) for the period							
Loss after taxation for the three months ended Sep 30, 2022	0	0	0	0	0	(20,123)	(20,123)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the period -net of deferred taxation	0	0	0	0	(14,766)	14,766	0
Other comprehensive income	0	0	0	0	0	(4,666)	(4,666)
Balance as at September 30, 2022	37,500	1	900,000	900,001	732,941	(652,946)	1,017,496
Total comprehensive loss for the period							
Profit after taxation for the nine months ended June 30, 2023	0	0	0	0	0	13,576	13,576
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the period -net of deferred taxation	0	0	0	0	(40,161)	40,161	0
Balance as at June 30, 2023	37,500	1	900,000	900,001	692,780	(599,209)	1,031,072

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL
INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 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 Mardan to 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 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, "Interim financial reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IFRS standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the annual audited financial statements of the Company as at and for the year ended September 30, 2022.

2.3 The comparative unconsolidated condensed interim statement of financial position presented in these interim financial statements has been extracted from the audited financial statements of the Company for the year ended September 30, 2022, whereas the unconsolidated condensed comparative interim statement of profit or loss & other comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows have been extracted from the un-audited condensed interim financial statements for the period ended June 30, 2022.

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

2.5 Basis of measurement

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

of minimum lease payments and property, plant and equipment at revalued amounts assessed by an independent valuer.

2.6 Functional and presentation currency

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

3. Significant accounting policies

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

3.1 Changes in accounting standards, interpretations and pronouncements

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

There are certain amendments and interpretations to the accounting and reporting standards, which are mandatory for the Company's annual accounting period commenced on October 01, 2022. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim financial statements.

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

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

4. Accounting estimates, judgments and financial risk management

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

4.2 The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the annual audited financial statements of the Company as at and for the year ended September 30, 2022.

4.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements as at and for the year ended September 30, 2022.

4.4 The Company follows the practice of conducting actuarial valuation annually at the year-end. Hence, the impact of remeasurement of staff retirement benefits - gratuity has not been incorporated in these condensed interim financial statements.

5. Property, plant and equipment	Un-audited Note June 30, 2023 (Rupees in thousand)
Book value at beginning of the period - audited	1,160,797
Additions during the period	
- capital work in process vehicles	0
- furniture, fittings & offices equipment	2,621
- Vehicles	7,227
- vehicles disposal	(635)
Depreciation charge for the period	(79,706)
Book value at end of the period - un-audited	<u>1,090,304</u>

6. Long term investments

Market values of the Company's quoted investments in Chashma Sugar Mills Ltd. (a Subsidiary Company) and Arpak International Investments Ltd. (an Associated Company) at period-end were Rs.763.181 million (September 30, 2022: Rs.893.127 million) and Rs.14.024 million (September 30, 2022: Rs.17.426 million) respectively.

7. Stock-in-trade	Un-audited Note June 30, 2023 (Rupees in thousand)	Audited Sep 30, 2022
Sugar-in-process	9,490	10,482
Finished goods:		
- sugar	533,437	6,421
- molasses	0	269,385
- Ethnol	172,604	474,215
	<u>706,041</u>	<u>750,021</u>
	<u>715,531</u>	<u>760,503</u>
8. Advances - Considered good		
Suppliers and contractors	39,322	246,238
Employees	5,119	4,006
	<u>44,441</u>	<u>250,244</u>
9. Trade deposits and short term prepayments		
Excise duty deposit	136	136
Short term prepayments	2,305	1,019
Deposits against decretal amounts	9.1 2,862	2,862
	<u>5,303</u>	<u>4,017</u>

10. Other receivables	Note	Un-audited June 30, 2023 (Rupees in thousand)	Audited Sep 30, 2022
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
Others		3,038	1,761
		<u>11,187</u>	<u>9,910</u>

11. Bank balances

Cash at banks on:			
- PLS accounts		3,489	41,068
- current accounts		28,301	20,863
- deposit accounts	11.1	8,734	8,734
- deposits with a non-banking finance company - unsecured		6,000	6,000
		<u>46,524</u>	<u>76,665</u>
Less: provision for doubtful bank balance		5,000	5,000
		<u>41,524</u>	<u>71,665</u>

11.1 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 by it in favour of Sui Northern Gas Pipelines Ltd. on behalf of the Company.

11.2 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.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.

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

12. Long term finances - Secured

Balance at period end / year end	0	6,227
Less: current portion grouped under current liabilities	0	6,227
	<u>0</u>	<u>0</u>

12.1 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 carries profit at SBP rate + 3%; the effective mark-up rate during the period was 3% per annum. This finance facility is repayable in 8 equal quarterly instalments commenced from January, 2021 and is secured against first exclusive registered charge over the Company's head office second and third floors (without land) located at King's Arcade, Markaz F-7, Islamabad through token registered mortgage of Rs.0.500 million and remaining through equitable mortgage of Rs.580 million.

13. Trade and other payables

	Un-audited June 30, 2023 (Rupees in thousand)	Audited Sep 30, 2022
Due to Chashma Sugar Mills Ltd. (Subsidiary Company)	0	162,538
Due to Azlak Enterprises (Pvt) Ltd. (Associated Company)	19,269	9,045
Due to Syntronic Ltd. (Associated Company)	137	0
Creditors	29,537	13,970
Accrued expenses	8,155	17,346
Due to employees	4,753	3,600
Deposits from contractors and others	931	910
Advances from customers - contract liabilities	159,468	5,558
Income tax deducted at source	1,413	432
Sales tax payable	4,947	16
Gratuity payable to ex-employees	4,116	4,396
Employees' provident fund payable	2,316	2,300
Others	243	205
	235,285	220,316

14. Current portion of non-current liabilities

Long term finances	12	0	6,227
Lease liabilities		1,018	211
Government grant		0	1
		1,018	6,439

15. Contingencies and commitments

15.1 No commitments were outstanding as at June 30, 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 in 2-1 ratio. The SCP's judgment stated 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 stated that no late payment surcharge would be collected while the GIDC amount that had become due upto July 31, 2020 would be recovered in 24 equal monthly instalments. Based on this judgment, the Company has filed the a writ petition before the PHC challenging the demand of GIDC arrears amounting Rs. 29.936 million on the ground that the Company has not passed on GIDC burden to its customers. The PHC, vide its order dated September 19, 2021, has granted interim relief.

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; the additional wage liabilities aggregate Rs.2.359 million approximately.

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

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 que be maintained.

15.8 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.

15.9 Guarantees given to Sui Northern Gas Pipelines Ltd. by commercial banks on behalf of the Company outstanding as at June 30, 2022 were for Rs.37.340 million (September 2022: Rs.37.340 million).

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	Quarter ended		Nine Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Sales	----- Rupees in thousand -----			
Local	911,191	44,501	1,279,282	103,245
Export	825,416	216,502	1,086,917	478,003
	<u>1,736,606</u>	<u>261,003</u>	<u>2,366,198</u>	<u>581,248</u>

17. Other income

	Un-audited nine months ended	
	June 30, 2023	June 30, 2022
Income from financial assets:	Note (Rupees in thousand)	
Profit on bank deposits and saving accounts	1,733	1,302
Dividend from a Subsidiary Company	0	68,755
Income from other than financial assets:	151	0
Un-claimed payable balances written-back		
Rent from:		
- an Associated Company	0	10,890
- a Subsidiary Company	0	1,271
Sale of agricultural produce - net	10,611	4,352
Gain on sale of vehicles	145	584
Government grant	0	734
Exchange fluctuation gain	0	6,375
Miscellaneous	13,338	3,977
	<u>25,979</u>	<u>98,240</u>

18. Other expenses

Uncollectible receivable balances written-off	110	0
Exchange loss	13,170	0
Others	986	788
	<u>14,266</u>	<u>788</u>

19. Taxation

Current	19.1	26,084	16,400
Deferred		12,491	(24,268)
		<u>38,575</u>	<u>(7,868)</u>

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

20. Operating segment

Upto June 30, 2023, the Company considered itself to be a single reportable segment on the basis of its internal reporting structure. The Company's reportable segments during the current period are as follows:

- Sugar - Distillery

20.1 Segment operating results for the nine months period ended June 30, 2022

	Sugar Division June 30, 2023	Ethanol Division June 30, 2023	Total
Sales			
- Local	576,486	702,796	1,279,282
- Export	0	1,086,917	1,086,917
	<u>576,486</u>	<u>1,789,713</u>	<u>2,366,198</u>
Less : sales tax	63,822	11,606	75,427
Sales - net	<u>512,664</u>	<u>1,778,107</u>	<u>2,290,771</u>
Cost of sales	(556,970)	(1,427,585)	(1,984,555)
Gross (loss) / profit	(44,306)	350,522	306,216
Distribution cost	(2,810)	(59,495)	(62,305)
Administrative expenses	(68,962)	0	(68,962)
	<u>(71,772)</u>	<u>(59,495)</u>	<u>(131,267)</u>
(Loss) / profit form operations (segment results)	<u>(116,078)</u>	<u>291,027</u>	<u>174,949</u>
Other income			25,979
Other expenses			(14,266)
			11,713
			<u>186,662</u>
Finance cost			(134,511)
Loss before taxation			52,151
Taxation			(38,575)
Loss after taxation			<u>13,576</u>

20.2 Segment assets and liabilities

	Un-audited Nine Months Ended	
	June 30, 2023	June 30, 2023
Sugar	Assets	Liabilities
	2,323,218	1,326,353
Ethanol	212,395	178,188
Total for reportable segment	<u>2,535,612</u>	<u>1,504,542</u>

21. Transactions with related parties

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

	Un-audited nine months ended	
	June 30, 2023	June 30, 2022
Subsidiary Companies:	(Rupees in thousand)	
- purchase of store items	21,291	27,466
- purchase of baggase	2,428	4,965
- sale of store items	2,546	11,221
- sale of molasses	770,480	20,001
- mark-up earned on long term loan	0	0
- advance against sale of building	0	250,000
- purchase of molasses	0	0
- dividend	0	68,755
- rent income	0	10,890
- rent expense	86	86
- Expenses paid by the Company	6,012	6,332
- Expenses paid on behalf of the Company	69,814	79,135
Associated Companies:		
- rent received	0	1,271

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

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

22. Corresponding figures

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

23. Date of authorisation for issue

These unconsolidated condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on July 25, 2023.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER



THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED. MARDAN

**CONDENSED INTERIM
CONSOLIDATED FINANCIAL INFORMATION
FOR THE NINE MONTHS PERIOD
ENDED JUNE 30, 2023
(UN-AUDITED)**

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM
STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2023

	Note	Un-audited June 30, 2023 (Rupees in thousand)	Audited Sep. 30, 2022
Assets			
Non-current assets			
Property, plant and equipment	7	22,665,590	21,342,308
Right-of-use assets	8	336,745	284,233
Investment property		24,613	24,825
Long term investments	9	173,506	172,002
Security deposits		17,741	16,485
		<u>23,218,195</u>	<u>21,839,853</u>
Current assets			
Stores and spares	10	615,834	623,288
Stock-in-trade	11	11,890,180	4,140,372
Trade debts	12	155,466	89,228
Loans and advances	13	1,241,391	1,460,655
Trade deposits, short term prepayments and other receivables	14	535,114	292,807
Tax refunds due from the Government		44,066	85,517
Short term investments	15	15,119	25,237
Bank balances	16	931,879	337,853
		<u>15,429,049</u>	<u>7,054,957</u>
Total assets		<u>38,647,243</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	1
- revaluation surplus on property, plant and equipment		4,328,674	4,563,539
General revenue reserve		1,010,537	1,010,537
Unappropriated profit		1,528,321	1,223,171
Equity attributable to equity holders of the Holding Company		6,905,033	6,834,748
Non-controlling interest		6,658,447	6,588,892
		<u>13,563,480</u>	<u>13,423,640</u>
Non-current liabilities			
Long term finances	17	5,133,172	4,191,793
Loans from related parties	18	156,854	181,839
Lease liabilities	19	164,836	146,603
Deferred liabilities	20	3,260,200	3,325,255
		<u>8,715,062</u>	<u>7,845,490</u>
Current liabilities			
Trade and other payables	21	3,004,819	1,257,868
Unclaimed dividends		7,470	7,470
Accrued mark-up		1,109,973	429,125
Short term borrowings	22	10,959,541	5,002,895
Current portion of non-current liabilities	23	1,187,943	894,901
Dividends payable to non-controlling interest		15,169	15,179
Taxation		83,786	18,242
		<u>16,368,701</u>	<u>7,625,680</u>
Total liabilities		<u>25,083,763</u>	<u>15,471,170</u>
Contingencies and commitments	24		
Total equity and liabilities		<u>38,647,243</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 NINE MONTHS PERIOD ENDED JUNE 30, 2023

Note	Quarter ended		Nine month period ended	
	June 30 2023	June 30 2022	June 30 2023	June 30 2022
	----- Rupees in thousand -----			
Sales				
- local	5,175,620	5,274,449	13,625,730	11,361,594
- export	1,512,578	2,083,071	6,630,924	4,221,433
	<u>6,688,198</u>	<u>7,357,520</u>	<u>20,256,654</u>	<u>15,583,027</u>
Less: sales tax, other government levies and discounts				
	(623,960)	(802,109)	(1,895,524)	(1,711,798)
Sales - net	<u>6,064,238</u>	<u>6,555,411</u>	<u>18,361,130</u>	<u>13,871,229</u>
Cost of sales	<u>(5,011,767)</u>	<u>(5,460,092)</u>	<u>(14,391,579)</u>	<u>(11,476,511)</u>
Gross profit	<u>1,052,470</u>	<u>1,095,319</u>	<u>3,969,550</u>	<u>2,394,718</u>
Selling and distribution expenses	<u>(164,027)</u>	<u>(193,135)</u>	<u>(667,208)</u>	<u>(442,426)</u>
Administrative and general expenses	<u>(285,079)</u>	<u>(254,199)</u>	<u>(886,101)</u>	<u>(678,094)</u>
Net impairment losses on financial assets	0	0	(34,128)	0
Other income	21,718	37,694	98,945	78,635
Other expenses	<u>(13,330)</u>	<u>(17,926)</u>	<u>(78,056)</u>	<u>(44,479)</u>
Profit from operations	<u>611,752</u>	<u>667,753</u>	<u>2,403,002</u>	<u>1,308,354</u>
Finance cost	<u>(970,883)</u>	<u>(438,467)</u>	<u>(2,089,580)</u>	<u>(966,669)</u>
	<u>(359,131)</u>	<u>229,286</u>	<u>313,422</u>	<u>341,685</u>
Share of profit / (loss) from Associated Companies	9	1,414	848	(3,640)
(Loss)/ profit before taxation	<u>(357,717)</u>	<u>230,134</u>	<u>309,782</u>	<u>336,077</u>
Taxation				
Group				
- current	(93,050)	(142,512)	(287,966)	(174,771)
- prior year	0	0	(41,938)	(64,704)
- deferred	67,847	(48,128)	154,818	(93,571)
	<u>(25,203)</u>	<u>(190,640)</u>	<u>(175,086)</u>	<u>(333,046)</u>
Associated Companies	9	(23)	(31)	(87)
	<u>(25,226)</u>	<u>(190,671)</u>	<u>(175,131)</u>	<u>(333,133)</u>
(Loss)/ profit after taxation	<u>(382,943)</u>	<u>39,463</u>	<u>134,651</u>	<u>2,944</u>
	----- Rupees -----			
Combined earnings / (loss) per share	<u>(49.74)</u>	<u>(10.75)</u>	<u>17.36</u>	<u>(20.67)</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 NINE MONTHS ENDED JUNE 30, 2023

	Quarter ended		Nine month period ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	----- Rupees in thousand -----			
Profit after taxation	(382,942)	39,463	134,652	2,944
Other comprehensive income				
Item that may be reclassified subsequently to profit or loss:				
Share of other comprehensive income from Associated Companies	3,142	0	4,014	0
Total comprehensive income	(379,800)	39,463	138,666	2,944
Attributable to:				
- Equity holders of the Holding Company	(443,859)	40,314	69,111	(77,518)
- Non-controlling interest	64,059	(851)	69,555	80,462
	(379,800)	39,463	138,666	2,944

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 NINE MONTHS PERIOD ENDED JUNE 30, 2023

	Nine month period ended	
	June 30, 2023	June 30, 2022
	(Rupees in thousand)	
Cash flows from operating activities		
Profit for the period - before taxation	309,783	336,077
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	1,086,780	856,527
Depreciation on right-of-use assets	55,153	52,757
Depreciation on investment property	212	223
Loss from Associated Companies	3,640	5,608
Mark-up / profit on bank deposits and saving accounts	(21,305)	(88,802)
Un-claimed payable balances written-back	(151)	0
Gain on sale of operating fixed assets	(5,628)	(952)
Gain on redemption and re-measurement of short term investments to fair value	(1,490)	(1,949)
Reversal of impairment loss for doubtful debts	0	(18,519)
Finance cost	2,089,580	966,669
Profit before working capital changes	3,516,574	2,107,639
Effect on cash flows due to working capital changes		
(Increase) / decrease in current assets		
Stores and spares	7,454	(43,357)
Stock-in-trade	(7,749,808)	(5,291,445)
Trade debts	(66,238)	499,140
Loans and advances	219,264	(457,298)
Trade deposits, short term prepayments and other receivables	(242,307)	(1,188)
Sales tax refundable -net	0	(4,180)
Increase in trade and other payables	1,746,951	633,088
	(6,084,684)	(4,665,240)
Cash used in operations	(2,568,109)	(2,557,601)
Taxation - net	(222,909)	(44,280)
Security deposits	(1,256)	0
Staff retirement benefits - gratuity (net)	3,217	3,511
Net cash used in operating activities	(2,789,058)	(2,598,370)
Cash flows from investing activities		
Additions to property, plant and equipment	(2,397,531)	(3,350,937)
Sale proceeds of operating fixed assets	17,008	5,043
Dividend received		18,519
Short term investments - made	(318)	0
- redeemed	11,926	11,650
Mark-up / profit received on bank deposits and saving accounts	21,305	88,802
Net cash used in investing activities	(2,347,611)	(3,226,923)
Cash flows from financing activities		
Long term finances and loans from related parties - net	1,190,816	2,490,354
Lease liabilities - net	(112,872)	(81,067)
Government grant	107,804	(5,670)
Short term borrowings - net	5,956,646	4,117,156
Finance cost paid	(1,411,690)	(667,814)
Dividends paid	(10)	(71,773)
Net cash generated from financing activities	5,730,694	5,781,186
Net increase in cash and cash equivalents	594,026	(44,107)
Cash and cash equivalents - at beginning of the period	337,853	501,490
Cash and cash equivalents - at end of the period	931,879	457,383

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 NINE MONTHS PERIOD ENDED JUNE 30, 2023

	----- Attributable to equity holders of the Holding Company-----						Non-controlling interest	Total equity
	Share capital	Reserves			Total			
		Share redemption	Capital	General revenue				
		Revaluation surplus on property, plant and equipment						
----- 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 nine month period ended June 30, 2023	0	0	0	0	65,096	65,096	69,555	134,651
Other comprehensive income	0	0	0	0	4,014	4,014	0	4,014
Effect of items directly credited in equity by Associated Companies	0	0	0	0	69,110	69,110	69,555	138,665
Transfer from revaluation surplus on property, plant and equipment (net of deferred taxation)	0	0	0	0	1,175	1,175	0	1,175
- on account of incremental depreciation	0	0	(234,865)	0	0	(234,865)	(140,662)	(375,527)
Balance as at June 30, 2023	37,500	1	4,328,674	1,010,537	1,528,321	6,905,033	6,658,447	13,563,480
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	(71,773)	(71,773)
Total comprehensive income:								
Loss for the nine month period ended June 30, 2022	0	0	0	0	(77,518)	(77,518)	80,462	2,944
Other comprehensive income	0	0	0	0	0	0	0	0
Effect of items directly credited in equity by Associated Companies	0	0	0	0	(77,518)	(77,518)	80,462	2,944
Effect of items directly credited in equity by Associated Companies	0	0	12,719	0	1,609	14,328	0	14,328
Transfer from revaluation surplus on property, plant and equipment (net of deferred taxation)	0	0	0	0	181,308	181,308	136,644	317,952
- on account of incremental depreciation	0	0	(317,952)	0	0	(317,952)	0	(317,952)
Balance as at June 30, 2022	37,500	1	3,569,128	1,010,537	1,295,698	5,912,864	5,485,636	11,398,500

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 INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED JUNE 30, 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 June 30, 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 June 30, 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 June 30, 2023. The Holding Company's direct interest, as at June 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

	Note	Un-audited June 30, 2023 (Rupees in thousand)	Audited Sep. 30, 2022
Operating fixed assets	7.1	16,853,799	17,539,115
Capital work-in-progress	7.2	5,811,791	3,802,083
Advance against leased vehicle		0	1,110
		<u>22,665,590</u>	<u>21,342,308</u>

7.1 Operating fixed assets

Book value as at September 30, 2022 - audited	17,539,115
Additions during the period:	
- buildings and roads	59,287
- plant and machinery	271,726
- electric installations	23,989
- office equipment	15,150
- furniture and fixtures	13,409
- vehicles	29,283
	<u>412,844</u>
Book value of operating fixed assets disposed-off during the period	(11,380)
Depreciation charge for the period	(1,086,780)
Book value as at June 30, 2023 - un-audited	<u>16,853,799</u>

	Note	Un-audited June 30, 2023 Rupees in thousand
7.2 Capital work-in-progress		
At beginning of the period		3,802,083
Add: additions during the period	7.3	2,579,154
Less: capitalised / adjusted during the period		(569,446)
Balance at end of the period		<u>5,811,791</u>
7.3 Additions during the period		
- land and building		777,065
- plant and machinery		862,373
- electric installations		125,676
- office equipment		1,372
- vehicles - owned		1,112
- leased		71,415
- capital stores		48,612
- advance payments to contractors		690,029
- advance payments against freehold land and buildings		1,500
		<u>2,579,154</u>
8. Right-of-use assets		
Book value at beginning of the period - audited		283,515
Additions during the period		108,383
Depreciation charge for the period		(55,153)
Book value at end of the period - un-audited		<u>336,745</u>
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		(3,640)
- other comprehensive income		4,014
- items directly credited in equity		1,175
Less: taxation		(45)
		<u>1,504</u>
Balance at end of the period - un-audited		<u>173,506</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

	Un-audited June 30, 2023	Audited Sep. 30, 2022
	(Rupees in thousand)	
Note		
Finished goods:		
- sugar	7,952,269	1,854,923
- molasses	2,493,987	1,352,158
- ethanol	1,301,416	910,663
- bagasse	117,633	0
	<u>11,865,305</u>	<u>4,117,744</u>
Work-in-process	24,875	22,628
	<u>11,890,180</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.

12. Trade debts - unsecured

Considered good	155,466	89,228
Considered doubtful	1,782	1,782
	<u>157,248</u>	<u>91,010</u>
Less: loss allowance	1,782	1,782
	<u>155,466</u>	<u>89,228</u>

13. Loans and advances

Advances to:

- employees - secured	17,039	14,640
- suppliers and contractors - unsecured	1,240,800	1,284,961
Letters of credit	11,155	189,022
Due from relative of director	2,140	1,775
	<u>1,271,134</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>1,241,391</u>	<u>1,460,655</u>

	Un-audited June 30, 2023	Audited Sep. 30, 2022
	(Rupees in thousand)	

14. Trade deposits, short term prepayments and other receivables

Sugar export subsidy receivable	308,510	308,510
Prepayments	15,726	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	15,000	19,000
Trade deposits	10,606	8,212
Sales tax	271,706	0
Deposits against decretal amounts	2,862	2,862
Other receivables	29,906	32,675
	<u>659,611</u>	<u>383,176</u>
Less: loss allowance	(124,497)	(90,369)
	<u>535,114</u>	<u>292,807</u>

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 - 116,879 Units (2022: 120,929 Units)	(11,926)	(12,250)
Closing balance - 206,867 Units (2022: 247,315 Units)	<u>15,119</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 June 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 June 30, 2023	Audited Sep. 30, 2022
17. Long term finances - secured		
CSML and its Subsidiaries		
Bank Al-Habib Ltd.	2,823,856	2,604,361
Soneri Bank Ltd.	1,061,227	693,753
Dubai Islamic Bank Pakistan Ltd.	300,000	547,493
MCB Bank Ltd.	713,106	264,528
Al-Baraka Bank (Pakistan) Ltd.	445,493	446,715
The Bank of Khyber	386,154	395,726
United Bank Ltd.	450,000	0
17.1	6,179,836	4,952,576
Less:		
Amounts payable within next 12 months grouped under current liabilities - Principal	1,046,664	760,783
Amount due after June 30, 2024	<u>5,133,172</u>	<u>4,191,793</u>

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.

	Un-audited June 30, 2023	Audited Sep. 30, 2022
18. Loans from related parties - secured		
Premier Board Mills Ltd.	18.1 71,840	90,575
Arpak International Investments Ltd.	18.2 31,250	43,750
Aztlak Enterprises (Pvt.) Ltd.	18.3 85,000	85,000
	<u>188,090</u>	<u>219,325</u>
Less: amount payable within next twelve months	31,236	37,486
	<u>156,854</u>	<u>181,839</u>

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.

	Un-audited June 30,2023 Rupees in thousand
19. Lease liabilities - secured	
Balance at beginning of the period - audited	236,797
Additions during the period	97,654
Unwinding of interest on lease liabilities	32,430
Payments / adjustments made during the period	(112,872)
Balance at end of the period -un-audited	254,009
Less: current portion grouped under current liabilities	(89,173)
	<u>164,836</u>

20. Deferred liabilities		Un-audited June 30, 2023	Audited Sep. 30, 2022
Deferred taxation			
	Note	(Rupees in thousand)	
- The Holding Company		96,238	83,747
- FSM		4,429	4,429
- CSML		3,024,340	3,193,056
		<u>3,125,007</u>	<u>3,281,232</u>
Staff retirement benefits - gratuity			
- The Holding Company		27,458	28,697
- FSM		67	66
- CSML		19,298	14,843
		<u>46,823</u>	<u>43,606</u>
Government grant		<u>88,370</u>	<u>417</u>
		<u>3,260,200</u>	<u>3,325,255</u>
21. Trade and other payables			
Creditors		329,608	342,752
Due to related parties	21.1	153,783	148,649
Accrued expenses		90,624	139,857
Retention money		36,577	24,496
Security deposits		161,719	1,915
Advance payments from customers		2,002,046	231,479
Income tax deducted at source		85,340	64,062
Sales tax payable		4,947	110,651
Gratuity payable to ex-employees		66,794	6,199
Advance received against sale of scrap		2,024	2,024
Payable for workers' welfare obligations		45,847	53,965
Payable to provident fund		12,663	6,000
Payable to employees		4,753	77,446
Others		8,094	48,373
		<u>3,004,819</u>	<u>1,257,868</u>
21.1	This represents amounts due to:		
- Azlak Enterprises (Pvt.) Ltd.		33,720	48,649
- Syntron Ltd.		0	0
- Syntronics Ltd.		137	0
- Directors		119,926	100,000
		<u>153,783</u>	<u>148,649</u>

22. Short term borrowings		Un-audited June 30, 2023	Audited Sep. 30, 2022
The Holding Company :			
Secured		520,249	701,000
CSML :			
- Cash / running finances - secured	22.1	7,573,292	2,601,895
- Export refinances - secured	22.1	2,866,000	1,700,000
		<u>10,959,541</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.		
23. Current portion of non-current liabilities			
Long term finances - the Holding Company	23.1	1,018	6,227
Long term finances - CSML & its Subsidiaries	17	1,046,664	760,783
Loans from related parties	18	31,236	37,486
Lease liabilities	19	89,173	90,404
Government grant		19,852	1
		<u>1,187,943</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 June 30, 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 June 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 que be maintained.

24.80 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 account.

24.90 Guarantees given to Sui Northern Gas Pipelines Ltd. by commercial banks on behalf of the Holding Company outstanding as at June 30, 2023 were for Rs.37.340 million (September 30, 2022: Rs.37.340 million).

FSM

24.10 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

24.11 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:

- CSML has provided a corporate guarantee of Rs. 500 million to Soneri Bank Ltd. in respect of financing facility availed by UWFL.

- 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.

24.12 In case of CSML, commitments in respect of :

	Un-audited June 30, 2023 (Rupees in thousand)	Audited Sep. 30, 2022
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- foreign letters of credit for purchase of plant & machinery	<u>0</u>	<u>739,238</u>
- local letters of credit for purchase of plant & machinery	<u>121,963</u>	<u>207,519</u>
- capital expenditure other than for letters of credit	<u>287,041</u>	<u>104,683</u>

25. Operating segment

The Holding Company's reportable segments are as follows:

- Sugar
- Distillery

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	
	Nine month period ended	
	June 30,	June 30,
	2023	2022
	(Rupees in thousand)	
Associated Companies		
Purchase of store items	0	0
Rental income	0	1,271
Expenses paid on behalf of the Holding Company	0	2,263
Key management personnel		
Salaries and other benefits	0	3,380
CSML		
Associated Undertakings		
Services	27,505	15,283
Expenses paid by Associated Companies	1,355	1,350
Purchase of goods	257,828	167,195
Dividend paid	0	26,877
Mark-up charged	26,655	12,798
Post employment benefit		
Expense charged in respect of retirement benefit plan	23,372	10,218
Key management personnel / Directors		
Salaries and other benefits	190,500	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 June 30, 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 July 25, 2023.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER