



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

CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED
DECEMBER 31, 2023

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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
Mr. Iskander M. Khan Director
Ms. Najda Sarfaraz Director
Mr. Shahbaz Haider Agha Independent Director
Ms. Shahida 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 Soneri Bank Limited
Habib Bank Limited National Bank of Pakistan

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

DIRECTORS' REVIEW REPORT

The Directors of The Premier Sugar Mills and Distillery Company Limited ("the Company") are pleased to present the un-audited condensed interim financial information of the Company for the first quarter ended December 31, 2023 to the shareholders of the Company in compliance with Section 237 of the Companies Act, 2017 (the Act) and the rule book of the Pakistan Stock Exchange.

OPERATIONAL OPERATIONS

The sugarcane crushing season 2023-24 commenced on October 25, 2023. During the season 2023-24, The Mills crushed 130,269 tons of sugarcane and produced 12,477 tons of sugar till December 15, 2023. Unfortunately, the operations had to be closed for the season due to diversion of sugarcane towards tax free commencement of Gur manufacturing. The mills found it financial unviable to continue operations at this elevated price, leading to closure.

SUGAR PRICES

The increased cost of production and excessive availability of sugar and regular interference by provincial Government to regulate open market are likely to be main factors, causing lower sugar cost than production.

DISTILLERY

Due to upgradation of Distillery Plant, no Ethanol Fuel Plant produced during the period.

FINANCIAL PERFORMANCE

The Company suffered loss of (Rs. 131.464) million after taxation during the first quarter ended December 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 good work done by the Company's staff at all levels.

FOR AND ON BEHALF OF THE BOARD


(ISKANDER M. KHAN)
Director


(ABBAS SARFARAZ KHAN)
Chief Executive

Islamabad
February 27, 2024

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

	Un-audited Note December 31, 2023	Audited September 30, 2023
	(Rupees in thousand)	
NON CURRENT ASSETS		
Property, plant and equipment	2,358,903	2,409,696
Investment property	19,834	19,901
Long term investments	170,006	170,006
Security Deposits	1,809	1,809
	<u>2,550,552</u>	<u>2,601,412</u>
CURRENT ASSETS		
Stores and spares	184,208	114,587
Stock-in-trade	1,417,213	134,622
Trade debts	144,538	37,319
Advances	73,176	198,534
Trade deposits and short term prepayments	9,067	5,085
Other receivables	10,103	10,125
Income tax refundable, advance income tax and tax deducted at source	32,982	23,540
Bank balances	35,332	120,095
	1,906,619	643,907
Non-current assets classified as held for sale	4,642	4,642
	<u>1,911,261</u>	<u>648,549</u>
	<u>4,461,813</u>	<u>3,249,961</u>
TOTAL ASSETS		
SHARE CAPITAL AND RESERVES		
Authorized capital (5,750,000 ordinary shares of Rs. 10 each)	57,500	57,500
Issued, subscribed and paid-up capital	37,500	37,500
Capital reserves		
-share redemption	1	1
-revaluation surplus on property, plant and equipment	1,601,294	1,634,949
General revenue reserve	900,000	900,000
Accumulated loss	(630,502)	(532,693)
Shareholders' equity	<u>1,908,293</u>	<u>2,039,757</u>
NON-CURRENT LIABILITIES		
Lease liabilities	3,089	3,402
Staff retirement benefits- gratuity	41,393	39,132
Deferred taxation	355,387	378,197
	<u>310,905</u>	<u>420,731</u>


CHIEF EXECUTIVE

**DISTILLERY COMPANY LIMITED
POSITION AS AT DECEMBER 31, 2023**

	Un-audited Note December 31, 2023	Audited September 30, 2023
	(Rupees in thousand)	
CURRENT LIABILITIES		
Trade and other payables	329,479	177,429
Contract liabilities	571	15,780
Unclaimed dividend	7,470	7,470
Accrued mark-up	29,563	12,672
Short term running borrowings	1,249,466	35
Current maturity of non-current liabilities	1,149	1,082
Taxation	40,470	35,040
	<u>1,658,168</u>	<u>249,508</u>
Liabilities directly associated with non-current assets classified as held for sale	539,965	539,965
TOTAL LIABILITIES	<u>2,553,520</u>	<u>1,210,204</u>
Contingencies and commitments		
TOTAL EQUITY AND LIABILITIES	<u>4,461,813</u>	<u>3,249,961</u>

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


DIRECTOR


CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE FIRST QUARTER ENDED DECEMBER 31, 2023

		Dec 31, 2023	Dec 31, 2022
	Note	Rupees in thousand	
Sales - net	20	433,336	793,095
Cost of sales	21	(576,490)	(654,409)
Gross (loss) / profit		(143,154)	138,686
Distribution cost	22	(2,051)	(19,107)
Administrative expenses	23	(30,006)	(17,200)
Other expenses	24	0	(15,671)
		(32,057)	(51,978)
Other income	25	(175,210)	86,708
		12,201	4,580
(Loss) / profit from operations		(163,009)	91,288
Finance cost	26	(30,316)	(31,744)
(Loss) / profit before taxation		(193,326)	59,544
Taxation		(61,862)	(1,704)
(Loss) / profit after taxation		(131,464)	57,840
Other comprehensive income		0	0
Total comprehensive (loss) / profit		(131,464)	57,840
(Loss) / earning per share		Rupees	
		(35.06)	15.42

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE FIRST QUARTER ENDED DECEMBER 31, 2023

	Dec 31, 2023	Dec 31, 2022
	Rupees in thousand	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / profit for the period - before taxation	(193,326)	59,544
Adjustments for:		
Depreciation on property, plant and equipment	56,623	26,506
Depreciation on investment property	67	48
Mark-up on loan to Subsidiary company and profit / mark-up on bank deposits	(511)	(470)
Staff retirement benefits-gratuity (Net)	2,261	1,293
Finance cost	29,528	31,178
(Loss) / profit before working capital changes	(105,358)	118,099

EFFECT ON CASH FLOWS DUE TO WORKING CAPITAL CHANGES
Decrease / (increase) in current assets:

Stores and spares	(69,621)	(4,244)
Stock-in-trade	(1,282,591)	(413,288)
Trade debts	(107,219)	(27,067)
Loans and advances	125,358	(270,565)
Trade Deposits and short term prepayments	(3,982)	(3,647)
Other receivables	23	240
Advance sales tax - net	0	234
Decrease in trade and other payables	136,841	259,489
	(1,201,191)	(458,848)
Cash used in operations	(1,306,549)	(340,749)
Security paid	0	(500)
Income Tax paid	(9,443)	(10,731)
Net cash used in operating activities	(1,315,992)	(351,980)

CASH FLOW FROM INVESTING ACTIVITIES

Additions to property, plant and equipment	(5,830)	(2,785)
Mark-up / profit received on loan to Subsidiary company and bank deposits	511	470
Net cash used in investing activities	(5,319)	(2,315)

CASH FLOW FROM FINANCING ACTIVITIES

Short term borrowings-net	1,249,431	394,985
Long term finances repaid	0	(6,228)
Finance cost paid	(12,637)	(21,129)
Lease finances - net	(246)	2,584
Net cash generated from financing activities	1,236,548	370,212
Net decrease in cash and cash equivalents	(84,763)	15,917
Cash and cash equivalents - at beginning of the period	120,095	71,665
Cash and cash equivalents - at end of the period	35,332	87,582

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE FIRST QUARTER ENDED DECEMBER 31, 2023

	Share capital	Capital			Reserves		TOTAL
		Share redemption	Revaluation surplus on property, plant and equipment	General	Revenue		
					Accumulated Loss		
Balance as at September 30, 2022 - audited	37,500	1	732,941	900,000	(652,946)	1,017,496	
Total comprehensive loss for the quarter ended December 31, 2022	0	0	0	0	57,840	57,840	
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the period -net of deferred taxation	0	0	(13,387)	0	13,387	0	
Balance as at December 31, 2022 - unaudited	37,500	1	719,554	900,000	(581,719)	1,075,336	
Balance as at September 30, 2023 - audited	37,500	1	1,634,949	900,000	(532,693)	2,039,757	
Total comprehensive loss for the quarter ended December 31, 2023	0	0	0	0	(131,464)	(131,464)	
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for current period -net of deferred taxation	0	0	(33,655)	0	33,655	0	
Balance as at December 31, 2023 - unaudited	37,500	1	1,601,294	900,000	(630,502)	1,908,293	

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


CHIEF EXECUTIVE


DIRECTOR



CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)

FOR THE FIRST QUARTER ENDED DECEMBER 31, 2023

1. Legal status and operations

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3. Significant Accounting Policies

The accounting policies and methods of computation adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended September 30, 2023.

4. Accounting Estimates, Judgments and Financial Risk Management

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

Judgments and estimates made by the management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended September 30, 2023.

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

	Unaudited Dec 31, 2023 (Rupees in thousand)	Audited Sep 30, 2023 (Rupees in thousand)
5. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	2,353,774	2,409,696
Advances	5,129	0
	<u>2,358,903</u>	<u>2,409,696</u>
5.1. Operating fixed assets - tangible		
Book value at the beginning of the period / year	2,409,696	1,159,687
Additions during the period / year :		
- furniture, fittings & office equipment	701	3,213
- vehicles	0	1,926
- leased vehicles (right of use assets)	0	6,572
	<u>701</u>	<u>11,711</u>
Revaluation adjustment	0	1,345,854
Book value of assets disposed-off during the period /year	0	(634)
Depreciation charge for the period / year	<u>(56,623)</u>	<u>(106,922)</u>
Book value at the end of the period / year	<u>2,353,774</u>	<u>2,409,696</u>
6. Investment property		
Opening book value	19,901	20,183
Depreciation charge for the period/ year	<u>(67)</u>	<u>(282)</u>
Closing book value	<u>19,834</u>	<u>19,901</u>
7. Long term investments		
Market values of the Company's quoted investments in Chashma Sugar Mills Ltd. (a Subsidiary Company) and Arpak International Investments Ltd. (an Associated Company) as at December 31, 2023 were Rs.904.816 million and Rs.13.716 million respectively.		
8. STORES AND SPARES		
Stores	116,271	46,254
Spares	67,937	68,333
	<u>184,208</u>	<u>114,587</u>
8.1 Stores and spares include items which may result in fixed capital expenditure but are not distinguishable.		

	Un-audited Dec 31, 2023 (Rupees in thousand)	Audited September 30, 2023 (Rupees in thousand)
9. Stock-in-trade		
Sugar-in-process	18,736	10,544
Finished goods:		
- sugar	<u>1,294,183</u>	<u>124,078</u>
- molasses	<u>104,294</u>	<u>0</u>
	<u>1,398,477</u>	<u>124,078</u>
	<u>1,417,213</u>	<u>134,622</u>
10. ADVANCES - Considered good		
Due from Chashma Sugar Mills Ltd. (CSM - Subsidiary Company)	38,988	150,161
Suppliers and contractors	25,039	42,939
Employees	9,149	5,434
	<u>73,176</u>	<u>198,534</u>
10.1 No amount was due from key management personnel of the Company during the current and preceding years.		
11. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS		
Excise duty deposit	136	136
Short term prepayments	6,069	2,087
Deposits against decretal amounts	2,862	2,862
	<u>9,067</u>	<u>5,085</u>
12. Other receivables		
Other receivables include due from Premier Board Mills Ltd. (an Associated Company) amounting Rs.2.140 million (September 30, 2023: Rs.2.140 million) on account of building lease rentals.		
13. Bank balances		
13.1 Period-end bank balances include deposits aggregating Rs.6 million lying with Innovative Investment Bank Ltd. (IIBL), Islamabad carrying profit at the rate of 5% per annum. The maturity dates of these deposits fell between July 29, 2009 to July 29, 2012.		
13.2 The realisability of these deposits is doubtful of recovery as these could not be encashed on their respective maturity dates; further, year-end balance confirmation certificate from IIBL was also not received. The Securities and Exchange Commission of Pakistan (SECP), in exercise of its powers conferred under sections 282 E & F of the repealed Companies Ordinance, 1984, had superseded the entire Board of Directors of IIBL and appointed an Administrator with effect from January 28, 2010. SECP had also instituted winding-up proceedings against IIBL before the Lahore High Court, Lahore (LHC). SECP had sought liquidation on a number of counts including violation of the Scheme of Amalgamation approved by SECP under which IIBL took over all the rights / liabilities of Crescent Standard Investment Bank Ltd.		

The SECP winding-up petition has been decided by the LHC and LHC has appointed Joint Official Liquidator (JOL). The LHC, vide its order dated April 14, 2018 has approved release of payment upto Rs.10 million in respect of principal amount only subject to verification as per the laws. The amount of Rs.12 million, as per the LHC order, has been received by the Company during Dec, 2020. The management, for the release of further amount, anticipates that JOL will intimate in due course of time; no provision, therefore, for the remaining deposits aggregating Rs.6 million has been made in the books of account. The Company has not accrued profit on these deposits during the current and preceding financial years.

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

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

14. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Dec 31, 2023	Sep. 30, 2023	Un-audited Dec 31, 2023	Audited Sep. 30, 2023
(No. of shares)	(Rupees in thousand)	(Rupees in thousand)	(Rupees in thousand)
1,476,340	1,476,340	14,763	14,763
	ordinary shares of Rs.10 each fully paid in cash		
2,273,660	2,273,660	22,737	22,737
	ordinary shares of Rs.10 each issued as fully paid bonus shares		
3,750,000	3,750,000	37,500	37,500

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

14.2 Arpak International Investments Ltd. (an Associated Company) held 400,000 ordinary shares as at December 31, 2023 and September 30, 2023.

15. TRADE AND OTHER PAYABLES

	Note	Un-audited Dec 31, 2023	Audited Sep. 30, 2023
		(Rupees in thousand)	(Rupees in thousand)
Due to Syntronics Ltd. (Associated Company)		15,085	157
Due to Azlak Enterprises (Pvt) Ltd. (Associated Company)		21,529	21,529
Creditors		202,057	36,652
Accrued expenses		70,177	54,547
Due to employees		5,549	5,151
Deposits from contractors and others		958	958
Income tax deducted at source		3,909	2,892
Sales tax payable		2,267	45,682
Workers' (profit) participation fund - allocation for the year		792	792
Workers' welfare fund		251	301
Gratuity payable to ex-employees		4,116	4,116
Employees' provident fund payable		2,388	4,228
Others		401	424
		329,479	177,429

16. SHORT TERM BORROWINGS

Short term finances - secured		1,249,466	0
Temporary bank overdraft - unsecured	16.1	0	35
		1,249,466	35

16.1 Short term finance facilities available from various commercial banks under mark-up arrangements aggregate Rs.1,900 million (2023: Rs.1,300 million). These facilities are secured against charge over fixed assets, charge over present and future current assets of the Company, registered first exclusive charge over the Company's head office second and third floors (without land), pledge of sugar stocks and lien over export documents. These facilities, during the year, carried mark-up at the rates ranging from 22.23% to 24.55% (2023: 16.71% to 24.41%) per annum and are expiring on various dates by March 31, 2024.

16.2 Facilities available for opening letters of guarantee and credit from commercial banks aggregate Rs.680 million (2023: Rs.680 million). Out of the available facilities, facilities aggregating Rs.650,133 million (2023: Rs.481,296 million) remained unutilised at the year-end. These facilities are secured against lien over term deposit receipts, shipping documents and the securities detailed in the preceding paragraph.

17. CURRENT PORTION OF NON-CURRENT LIABILITIES

Lease liabilities		1,149	1,082
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18.**Taxation**

Provision for the current period represents tax due under sections 154 (Tax on income from exporters) and 113 (Minimum tax on income of certain persons) of the Income Tax Ordinance, 2001 (the Ordinance).

18.1 Deferred

Un-audited Dec 31, 2023	Audited September 30, 2023
(Rupees in thousand)	
0	0
654,050	667,796
318	0
654,368	667,796

This is comprised of the following:

Taxable temporary differences arising in respect of:

- accelerated tax depreciation allowances
- revaluation surplus on property, plant and equipment
- lease finances

Deductible temporary differences arising in respect of:

- available unused tax losses
- accelerated tax depreciation allowances
- staff retirement benefits - gratuity
- provision for doubtful bank balance
- lease finances
- minimum tax recoverable against normal tax charge in future years

(278,825)	(230,815)
(362)	(297)
(12,004)	(11,348)
(1,450)	(1,450)
0	(452)
(50,822)	(45,237)
(343,463)	(289,599)
310,905	378,197

19.**Contingencies and commitments**

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

19.2 Guarantees given to Sui Northern Gas Pipelines Ltd. by a commercial bank on behalf of the Company outstanding as at December 31, 2023 were for Rs.37.34 million (September 30, 2023: Rs.37.340 million). These guarantees are valid upto July 16, 2023.

20.**SALES - Net**

Turnover:		
Local	511,337	180,556
Export	0	638,774
	511,337	819,330
Less: sales tax	78,001	26,235
	433,336	793,095

Un-audited Dec 31, 2023	Audited September 30, 2023
(Rupees in thousand)	

21. COST OF SALES

Raw materials consumed	1,661,244	951,337
Chemicals and stores consumed	22,523	13,242
Salaries, wages and benefits	75,134	52,526
Power and fuel	23,905	9,783
Insurance	2,038	1,582
Repair and maintenance	18,272	13,462
Depreciation	55,965	25,765
	1,859,081	1,067,697

Adjustment of sugar-in-process:

Opening	10,544	10,482
Closing	(18,736)	(10,848)

Cost of goods manufactured

	(8,192)	(366)
	1,850,889	1,067,331

Adjustment of finished goods:

Opening stock	124,078	750,021
Closing stock	(1,398,477)	(1,162,943)

	(1,274,399)	(412,922)
	576,490	654,409

22. DISTRIBUTION COST

Commission	187	120
Salaries, wages and amenities	1,781	986
Expenses on ethanol export	84	18,001
	2,052	19,107

23. ADMINISTRATIVE EXPENSES

Salaries and amenities	12,455	7,743
Travelling, vehicles' running and maintenance	822	990
Utilities	392	265
Rent, rates and taxes	3,589	1,026
Insurance	259	375
Repair and maintenance	7,191	2,011
Printing and stationery	1,124	820
Communication	358	258
Legal and professional charges (other than Auditors)	482	2,004
Subscription	267	206

	Un-audited Dec 31, 2023 (Rupees in thousand)	Audited September 30, 2023 (Rupees in thousand)
Depreciation on:		
- operating fixed assets	658	740
- investment property	67	48
General office expenses	2,343	714
	<u>30,006</u>	<u>17,200</u>
24. OTHER EXPENSES		
Sales tax arrears	0	0
Exchange fluctuation loss	0	15,671
	<u>0</u>	<u>15,671</u>
25. OTHER INCOME		
Income from financial assets:		
Mark-up / interest / profit on bank deposits / saving accounts and certificates	511	470
Income from other than financial assets:		
Rent	3	2
Sale of agricultural produce	10,654	4,108
Exchange gain	0	0
Government grant	0	0
Gain on sale of vehicle / fixed assets	0	0
Miscellaneous	1,033	0
	<u>12,201</u>	<u>4,580</u>
26. FINANCE COST		
Mark-up on:		
- long term finances	0	76
- short term borrowings	29,528	31,178
Lease finance charges	268	242
Bank charges	521	248
	<u>30,316</u>	<u>31,744</u>

27. Transactions with related parties

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

	Un-audited Period ended Dec. 31, 2023 (Rupees in thousand)	Un-audited Period ended Dec. 31, 2022 (Rupees in thousand)
Subsidiary Companies:		
- purchase of goods	54	8,119
- sale of store items	0	0
- rent paid	29	29
- rent received	0	0
- expenses paid on behalf of the Company	7,088	36,882
- expenses paid by the Company	998	892
Associated Companies:		
- purchase of goods	14,927	2,399
Key management personnel		
- salaries and other benefits	2,143	1,730

27.2 The Company's shareholdings in Subsidiary and Associated Companies have been detailed in note 41. In addition to the names of the Associated Companies detailed in note 7, the following are other Associated Companies and a sub-subsidiary Company:

- Whole Foods (Pvt.) Ltd. (Sub-subsidiary) - Premier Construction & Housing Ltd.
- Syntron Ltd. - Phipson & Co. Pakistan (Pvt.) Ltd.
- Syntronics Ltd. - Aurora (Pvt.) Ltd.
- Ultimate Whole Foods (Pvt.) Ltd. (Sub-subsidiary)

27.3 Key management personnel

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

28. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Particulars	Chief Executive		Directors		Executives	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	Rupees in thousand					
Managerial remuneration	436	330	1,091	825	615	575
Contribution to provident fund	0	0	-	-	-	-
	<u>436</u>	<u>330</u>	<u>1,091</u>	<u>825</u>	<u>615</u>	<u>575</u>
Number of persons	1	1	1	1	1	1

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

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

29. **Date of Authorisation for Issue**

This condensed interim financial information was approved and authorised for issue by the Board of Directors of the Company on February 27, 2024.

30. **Corresponding Figures**

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

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

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER



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

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED
DECEMBER 31, 2023**

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

AS AT DECEMBER 31, 2023

Assets	Note	Unaudited December 31, 2023	Audited September 30, 2023
Non-current Assets			
Property, plant and equipment	6	26,541,029	26,796,376
Right-of-use assets		328,093	328,202
Investment property		24,476	24,543
Long term investments		179,369	182,471
Security deposits		17,185	16,985
Deferred tax asset		60,700	10,100
		<u>27,150,852</u>	<u>27,358,677</u>
Current Assets			
Stores and spares	7	1,100,921	982,775
Stock-in-trade	8	11,809,199	5,513,065
Trade debts		454,190	1,251,423
Loans and advances		4,368,605	1,071,224
Trade deposits, short term prepayments and other receivables	9	229,068	242,022
Tax refunds due from the Government		106,895	87,296
Short term investments	10	4,624	10,305
Bank balances	11	1,280,895	950,611
		<u>19,354,397</u>	<u>10,088,721</u>
TOTAL ASSETS		<u>46,505,249</u>	<u>37,447,398</u>
Equity and Liabilities			
Share Capital and Reserves			
Authorised capital		57,500	57,500
5,750,000 (2020: 5,750,000) ordinary shares of Rs.10 each		37,500	37,500
Capital reserves			
- share redemption	1		1
- revaluation surplus on property, plant and equipment		5,612,855	5,804,999
General revenue-reserve		1,010,537	1,010,538
Unappropriated profit		2,528,934	2,342,927
Equity Attributable to Equity Holders of the Holding Company		<u>9,189,927</u>	<u>9,195,965</u>
Non-Controlling Interest		<u>8,830,888</u>	<u>8,608,832</u>
		<u>18,020,815</u>	<u>17,804,797</u>
Non-current Liabilities			
Long term finances	12	4,529,599	4,673,541
Loans from related parties	13	141,236	156,854
Lease liabilities		151,211	161,396
Government grant		69,369	76,281
Deferred liabilities		4,008,737	4,062,491
		<u>8,900,152</u>	<u>9,130,563</u>
Current Liabilities			
Trade and other payables	14	4,732,743	3,588,837
Unclaimed dividends		7,470	7,470
Accrued mark-up		29,563	746,754
Short term borrowings		12,810,967	4,615,620
Current portion of non-current liabilities		1,947,406	1,429,079
Dividends payable to non-controlling interest		15,144	15,144
Taxation		40,989	129,134
		<u>19,584,282</u>	<u>10,512,038</u>
		<u>28,464,434</u>	<u>19,642,601</u>
Contingencies and Commitments			
TOTAL EQUITY AND LIABILITIES		<u>46,505,249</u>	<u>37,447,398</u>

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


CHIEF EXECUTIVE


DIRECTOR

CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF PROFIT OR LOSS (UNAUDITED)

FOR THE FIRST QUARTER ENDED DECEMBER 31, 2023

	December 31, 2023	December 31, 2022
	-----Rupees in thousand-----	
Sales - Net	8,501,928	4,213,830
Cost of Sales	(6,809,606)	(3,374,167)
Gross Profit	<u>1,692,322</u>	<u>839,663</u>
Distribution Cost	(240,091)	(153,767)
Administrative Expenses	(398,308)	(278,107)
Other Expenses	(54,179)	(21,428)
	<u>(692,578)</u>	<u>(453,302)</u>
	999,744	386,361
Other Income	<u>56,545</u>	<u>12,383</u>
Profit from Operations	<u>1,056,289</u>	<u>398,744</u>
Finance Cost	<u>(802,828)</u>	<u>(353,867)</u>
	253,461	44,877
Share of (loss) / profit from Associated Companies	<u>(12,608)</u>	<u>4,462</u>
Profit before Taxation	<u>240,853</u>	<u>49,339</u>
Taxation		
Group	(73,962)	(50,060)
- Current	39,622	76,089
- Deferred	(84,340)	26,029
	<u>(54)</u>	<u>(6,103)</u>
Associated Companies	(84,394)	19,926
Profit after Taxation	<u>206,459</u>	<u>69,265</u>
Attributable to:		
- Equity holders of the Parent Company	66,747	64,223
- Non-controlling interest	139,712	5,042
	<u>206,459</u>	<u>69,265</u>
	-----Rupees -----	
Combined earnings per share - basic and diluted	<u>17.80</u>	<u>17.13</u>

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


CHIEF EXECUTIVE


DIRECTOR

CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONSOLIDATED STATEMENT OF
OTHER COMPREHENSIVE INCOME (UNAUDITED)

FOR THE FIRST QUARTER ENDED DECEMBER 31, 2023

	December 31, 2023	December 31, 2022
	-----Rupees in thousand-----	-----Rupees in thousand-----
Profit after Taxation	206,459	69,265
Other Comprehensive Income		
Fair value gain / (loss) on available-for-sale investments	-	-
Share of other comprehensive (loss) / income from Associated Companies	8,528	872
Adjustment for gain included in statement of profit or loss upon sale of Available for sale investments	-	-
Total Comprehensive income	214,987	70,137
Attributable to:		
- Equity holders of the Parent Company	75,275	64,641
- Non-controlling interest	139,712	5,496
	214,987	70,137

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
CASH FLOW STATEMENT (UNAUDITED)

FOR THE FIRST QUARTER ENDED DECEMBER 31, 2023

	Quarter ended December 31, 2023	December 31, 2022
	-----Rupees in thousand-----	-----Rupees in thousand-----
Cash flow from operating activities		
Profit for the period - before taxation	240,853	49,339
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	506,041	374,679
Depreciation on investment property	67	48
Loss on Associated Companies - net	12,608	(4,462)
Interest / profit on bank deposits and saving accounts	(1,274)	(4,201)
Staff retirement benefits - gratuity (net)	-	-
Gain on disposal of operating fixed assets	(2,335)	-
Gain on re-measurement of short term investments to fair value	(22,887)	(1,104)
Gain on redemption of long term investment	-	-
Dividend income	-	-
Finance cost	802,828	353,867
	1,535,901	768,166

Profit before working capital changes

Effect on cash flow due to working capital changes

(Increase) / decrease in current assets	(138,146)	(224,565)
Stores and spares	(6,296,134)	(3,737,213)
Stock-in-trade	797,233	(212,713)
Trade debts	(3,297,381)	(1,563,030)
Loans and advances	12,954	13,072
Trade deposits, short term prepayments and other receivables	(19,599)	(107,031)
Sales tax refundable	-	-
Advance sales tax	-	-
Increase in current liabilities	1,163,906	3,577,020
Trade and other payables	(7,777,167)	(2,254,460)

Cash (used in) / generated from operations

Income tax paid	(6,241,266)	(1,486,294)
Security deposits	(169,023)	(41,749)
	(200)	(500)
	(6,410,489)	(1,528,543)

Net cash (used in) / generated from operating activities

Cash flow from investing activities		
Additions to property, plant and equipment	(250,694)	(925,929)
Sale proceeds of operating fixed assets	7,887	-
Interest / profit on bank deposits and saving accounts	1,274	4,201
Proceeds from disposal of long term investment	(9,506)	4,606
Short term investments - net	28,568	(158,442)
Dividend received	0	-
	(222,471)	(1,075,564)

Net cash used in investing activities

Cash flow from financing activities		
Long term finances - net	(204,608)	1,060,098
Loans from Associated Companies	(15,618)	(15,618)
Lease finances - net	508,142	(129,753)
Short term borrowings - net	8,195,347	2,127,236
Finance cost paid	(1,520,019)	(472,750)
Dividend paid	-	(10)
	6,963,244	2,569,203

Net cash generated from / (used in) financing activities

Net decrease in cash and cash equivalents	330,284	(34,904)
Cash and cash equivalents - at beginning of the period	950,611	337,853
Cash and cash equivalents - at end of the period	1,280,895	302,949

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE FIRST QUARTER ENDED DECEMBER 31, 2023

	Attributable to equity holders of the Parent						Total equity	
	Share capital	Reserves		Unappropriated profit	Non-controlling interest	Total		
		Share capital	Revaluation surplus on property, plant and equipment					Revenue General
Balance as at September 30, 2022 - audited	37,500	1	4,563,539	1,010,537	1,223,171	6,834,748	6,588,892	13,423,640
Total comprehensive income / (loss) for the period ended December 31, 2022	0	0	0	0	64,223	64,223	5,042	69,265
Loss / profit after taxation	0	0	0	0	872	872	0	872
Other comprehensive income	0	0	0	0	65,095	65,095	5,042	70,137
Effect of items directly credited in equity by Associated Companies	0	0	0	0	769	769	0	769
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation for the period - net of deferred taxation	0	0	(148,598)	0	78,288	(70,311)	70,311	0
Balance as at December 31, 2022 - unaudited	37,500	1	4,414,940	1,010,537	1,387,323	6,830,301	6,564,245	13,494,546
Balance as at September 30, 2023 - audited	37,500	1	5,804,999	1,010,537	2,342,927	9,195,964	8,608,832	17,804,796
Profit after taxation	0	0	0	0	66,747	66,747	139,712	206,459
Other comprehensive income	0	0	0	0	8,528	8,528	8,528	8,528
Effect of items directly credited in equity by Associated Companies	0	0	0	0	1,032	1,032	0	1,032
Transfer from revaluation surplus on property, plant and equipment (net of deferred taxation)	0	0	(192,044)	0	109,700	(82,344)	82,344	0
Balance as at December 31, 2023	37,500	1	5,612,955	1,010,537	2,528,934	9,189,927	8,830,888	18,020,815

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
SELECTED NOTES TO AND FORMING PART OF THE CONDENSED
INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE FIRST QUARTER ENDED DECEMBER 31, 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.

1.2 Subsidiary Companies

(a) Chashma Sugar Mills Ltd. (CSM)

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

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

During the year 2021, the Board of Directors of CSM passed resolution to incorporate Ultimate Whole Foods (Private) Ltd. (UWFPL), and the same has been incorporated on May 17, 2021 as UWFPL limited by shares. The objective of UWFPL will be to set up mills for milling wheat, gram, other grains and other allied products and by-products from flours. CSM owns 51% (i.e. 20,400,000 shares of Rs 10 each) of the total shareholding of UWFPL (i.e. 40,000,000 shares of Rs 10 each). The operations of UWFPL have yet to be started.

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

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

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

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

(c) **Delisting of FSM**

The Holding Company, the majority shareholder of FSM, had decided to purchase all the ordinary and preference shares of FSM held by Others. The shareholders of FSM had passed a special resolution for de-listing of FSM from the Stock Exchanges at the annual general meeting held on January 30, 2010. The shareholders also passed a special resolution for purchase of 263,134 ordinary shares at a price of Rs.190.20 per share and 26,970 preference shares at a price of Rs.18.60 per share by the Holding Company in the extra ordinary general meeting held on June 10, 2010.

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

2. Basis of preparation

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

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

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3. Accounting policies

The accounting policies and methods of computation adopted for the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of preceding consolidated annual financial statements of the Group for the year ended September 30, 2023.

These un-audited consolidated condensed interim financial statements do not include all the information and disclosures as required in the annual consolidated financial statements and should be read in conjunction with the Group's consolidated financial statements for the year ended September 30, 2023.

4. Accounting estimates, judgments and financial risk management

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

4.2 Judgments and estimates made by the management in the preparation of these consolidated condensed interim financial statements are the same as those that were applied to consolidated financial statements as at and for the year ended September 30, 2023.

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

4.4 The Holding Company and FSM follow the practice of conducting actuarial valuation annually at the year-end. Hence, the impact of remeasurement of staff retirement benefits - gratuity has not been incorporated in the books of account of the Holding Company and FSM.

5. Principles of consolidation

These consolidated condensed interim financial statements include the condensed interim financial statements of the Holding Company, consolidated condensed interim financial statements of CSM & its Subsidiary Company and the condensed interim financial statements of FSM as at and for the period ended December 31, 2023. The Holding Company's direct interest, as at December 31, 2023, in CSM was 47.93% (2020: 47.93%) and in FSM was 82.49% (2020: 82.49%).

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

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

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

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

6. Property, plant and equipment

	Un-audited Dec 31, 2023	Audited September 30, 2023
	(Rupees in thousand)	
Operating fixed assets - tangible	6.1	23,253,239
Capital work-in-progress	6.2	3,543,137
Advance against leased vehicle	5,129	0
	26,541,029	26,796,376

6.1 Operating fixed assets - tangible

Book value at beginning of the period - **audited**

Additions during the period:

- Building and roads
- plant and machinery
- Office equipment and furniture
- vehicles:

1,073,331
1,223,241
221,989
11,934

2,530,495

8,209

Add: Transfers from right of use assets to owned

Book value of operating fixed assets

disposed-off during the period

(7,887)

Depreciation charge for the period

(506,041)

Book value at end of the period - **un-audited**

25,278,015

6.2 Capital work-in-progress

	Un-audited Dec 31, 2023	Audited September 30, 2023
	(Rupees in thousand)	
Note		
At beginning of the period / year	3,543,137	3,802,083
Add: Additions during the period / year	382,110	4,232,936
Other adjustment	0	13,892
Less: Capitalised during the period / year	(2,667,362)	(4,505,774)
Balance at end of the period / year	1,257,885	3,543,137

7. Stores and spares

FSM has not carried-out manufacturing operations during the current period and prior years. The management, during year 2021, carried out a detailed exercise to identify obsolete / damaged stores and spares inventory, carrying values of the stores and spares inventory were adjusted accordingly.

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

8. Stock-in-trade

Work-in-process	228,978	26,837
Finished goods:		
- Sugar	8,333,426	3,376,656
- molasses	1,657,422	1,129,284
- ethanol	551,440	742,952
- bagasse	202,748	36,569
	10,745,036	5,285,461
Raw material - Wheat (UWFPL)	835,185	200,767
	11,809,199	5,513,065

9. Trade deposits, short term prepayments and other receivables

Sugar export subsidy receivable	305,519	308,510
Prepayments	22,893	15,433
Excise duty deposits	136	136
Gas infrastructure development cess paid under protest - refundable	0	3,018
Lease rentals receivable from an Associated Company (Premier Board Mills Ltd.)	0	2,140
Guarantees issued	15,000	15,000
Trade deposits	7,640	8,876
Other receivables	33,662	44,691
	384,850	397,804
Less: loss allowance	(155,782)	(155,782)
	229,068	242,022

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

Audited
September 30,
2023

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

First Habib Cash Fund

Opening balance - 100,403 Units (2023: 247,315 Units)	10,305	25,237
Investments made during the period / year -Nil (2023:0 Units)	0	0
Gain on redemption and re-measurement to fair value	319	2,819
Units redeemed during the period / year -	(6,000)	(17,751)
Closing balance - 45,044 Units (2023: 100,402 Units)	4,624	10,305

11. Cash and bank balances

11.1 Period-end bank balances include deposits aggregating Rs.6 million lying with Innovative Investment Bank Ltd. (IBL), Islamabad carrying profit at the rate of 5% per annum. The maturity dates of these deposits fell between July 29, 2009 to July 29, 2012.

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

The SECP winding-up petition has been decided by the LHC and LHC has appointed Joint Official Liquidator (JOL). The LHC, vide its order dated April 14, 2018 has approved release of payment upto Rs.10 million in respect of principal amount only subject to verification as per the laws. The amount of Rs.12 million, as per the LHC order, has been received by the Company during Dec, 2020. The management, for the release of further amount, anticipates that JOL will intimate in due course of time; no provision, therefore, for the remaining deposits aggregating Rs.6 million has been made in the books of account.

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

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

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

12. Long term finances - secured

Loan from banking companies

The Holding Company

	Un-audited Dec 31, 2023 (Rupees in thousand)	Audited September 30, 2023 (Rupees in thousand)
Bank Al-Habib Ltd.	0	0
CSM and its Subsidiaries		
Bank Al-Habib Ltd.	2,848,055	2,818,699
Soneri Bank Ltd.	924,045	933,703
Dubai Islamic Bank Pakistan Ltd.	200,000	250,000
MCB Bank Ltd.	680,813	698,783
Al Baraka Bank Ltd.	390,425	445,493
The Bank of Khyber	382,692	382,692
United Bank Limited	450,000	450,000
Total	5,876,030	5,979,370
Less: amount payable within next 12 months		

The Holding Company

-principal

CSM and its Subsidiaries	0	0
-principal	1,346,431	1305829
Amount due after December 31, 2023	4,529,599	4,673,541

12.1 These represent term and demand finances obtained by CSM 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 + 2.1% 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 CSM and its subsidiaries and first / joint pari passu charge by way of equitable mortgage on all present and future immovable fixed assets of CSM, pledge of sugar stocks and lien on export contracts / LCs.

13. Loans from related parties - secured

Premier Board Mills Ltd.	13.1	62,472	71,840
Arpak International Investments Ltd.	13.2	25,000	31,250
Azliak Enterprises (Private) Ltd.	13.3	85,000	85,000
		172,472	188,090
Less: current portion grouped under current liabilities		31,236	31,236
		141,236	156,854

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

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

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

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

13.3 The long term finance facility has been renewed on January 03, 2022. The principal is repayable in 8 semi annual installments commencing from December 2024. The rate of mark-up is one month KIBOR + 1.25%, provided the mark up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the CSM.

14. Trade and other payables

	Un-audited Dec 31, 2023 (Rupees in thousand)	Audited September 30, 2023 (Rupees in thousand)
Creditors	2,536,410	559,733
Bills payable	0	0
Due to Associated Companies	267,873	166,809
Accrued expenses	256,154	200,778
Retention money	39,291	39,839
Security deposits - interest free repayable on demand	2,278	2,278
Advance payments from customers	1,031,070	0
Income tax deducted at source	50,842	105,758
Sales tax payable	250,209	292,392
Gratuity payable to ex-employees	5,919	5,919
Advance received against sale of scrap	2,024	2,024
Payable for workers' welfare obligations	168,637	114,216
Payable to provident fund	14,227	12,687
Payable to employees	59,720	63,382
Others	48,089	29,690
	4,732,743	1,595,505

14.1 This represents amounts due to:

- Azliak Enterprises (Pvt.) Ltd.	35,550	46,672
- Syntronics Ltd.	15,085	157
- Syntron Ltd.	97,250	0
- Phipson & Company Pakistan (PVT.) Ltd.	63	55
- Directors	119,925	119,925
	267,873	166,809

15. Current portion of non-current liabilities

Long term finances	1,346,431	1,305,829
Lease liabilities	90,862	31,236
Loans from related parties	31,236	92,014
	1,468,529	1,429,079

16. Contingencies and commitments

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

16.1 Commitments - CSM

Commitments in respect of :

- foreign letters of credit for purchase of plant & machinery
- local letters of credit for purchase of plant & machinery
- capital expenditure other than for letters of credit

Un-audited Dec 31, 2023 (Rupees in thousand)	Audited September 30, 2023
0	0
<u>141,062</u>	<u>143,681</u>
<u>13,961</u>	<u>14,386</u>

17. Other income

- Income from financial assets:**
- Profit on bank deposits and saving accounts
- Gain on redemption and remeasurement of short term investments to fair value
- Exchange fluctuation gain

Un-audited Quarter ended Dec 31, 2023 (Rupees in thousand)	Dec 31, 2022
1,274	4,201
22,887	1,104
0	0

Income from other than financial assets:

- Rental income
- Sale of scrap
- Sale of press mud - net
- Gain on sale of operating fixed assets
- Sale of seeds and agricultural produce
- Sale of fusel oil - net
- Miscellaneous

3	2
14,728	0
2,567	1,934
2,335	0
10,654	4,108
1,064	1,034
1,033	0
<u>56,545</u>	<u>12,383</u>

18.

Other expenses

- Workers' (profit) participation fund
- Donations (without Directors' interest)
- Others

54,170	5,743
9	12
0	15,673
<u>54,179</u>	<u>21,428</u>

19. Operating segment

Upto December 31, 2023, the Holding Company considered itself to be a single reportable segment on the basis of its internal reporting structure. The holding Company's reportable segments during the current period are Sugar and Distillery.

19.1 Segment operating results of Holding Co for the three month period ended Dec 31, 2023

	Sugar Division 2023	Ethanol Division 2023	Total 2023
----- Rupees in thousand -----			
Sales			
-External customers	511,337	-	511,337
Less : sales tax & commission	(78,001)	-	(78,001)
Sales - net	433,336	-	433,336
Segment expenses:			
Cost of sales	(554,758)	(21,731)	(576,490)
Gross (loss) / profit	(121,422)	(21,731)	(143,153)
Distribution cost	(1,968)	(84)	(2,052)
Administrative expenses	(30,006)	0	(30,006)
	(31,974)	(84)	(32,057)
(Loss) / profit from operations	(153,396)	(21,815)	(175,211)
Other income	12,201	0	12,201
Other expenses	0	0	-
	12,201	0	12,201
Segment results	(141,195)	(21,815)	(163,010)
Finance cost	(30,316)	-	(30,316)
(Loss) / profit before taxation	(171,511)	(21,815)	(193,326)
Taxation			(61,862)
Profit / (loss) after taxation			(131,464)
		Assets	Liabilities
		2023	2023
		Rupees in thousand	
Sugar	3,932,020	2,531,991	
Ethanol	529,793	21,529	
Total for reportable segment	4,461,813	2,553,520	

21. Segment operating results for the three month period ended December 31, 2023 (Un-audited)

	Sugar Division		Ethanol Division		Total	
	Three month period ended	December	Three month period ended	December	Three month period ended	December
	31, 2023	31, 2022	31, 2023	31, 2022	31, 2023	31, 2022
	Rupees in thousand					
Sales						
-External Customers	4,615,066	2,451,930	2,378,436	1,362,010	6,993,502	3,813,940
-Inter segment	311,387	622,329	-	-	311,387	622,329
-Others - UWFPL	-	-	-	-	1,850,677	-
	4,926,453	3,074,259	2,378,436	1,362,010	9,155,566	4,436,269
Less: Sales tax and others	(706,436)	(368,268)	(20,065)	(26,818)	(726,501)	(385,086)
Others - UWFPL	-	-	-	-	(49,032)	-
Sales - net	4,220,017	2,715,991	2,358,371	1,335,192	8,380,033	4,051,183
Segment expenses:						
Cost of Sales	(3,091,021)	(2,541,634)	(1,289,760)	(185,037)	(4,380,761)	(2,726,671)
less: Inter segment cost	-	-	(311,387)	(622,329)	(311,387)	(622,329)
	(3,091,021)	(2,541,634)	(1,601,147)	(807,366)	(1,854,389)	-
Gross profit	1,128,996	174,357	757,224	527,826	6,544,557	(3,348,000)
Selling and distribution expenses	(10,808)	(9,398)	(225,515)	(125,262)	(236,323)	(134,660)
Administrative and general expenses	(211,723)	(161,007)	(88,021)	(70,485)	(299,744)	(231,492)
Others	(22,531)	(170,405)	(313,536)	(195,747)	(63,319)	(26,384)
	906,465	3,952	443,688	332,079	(599,366)	(392,536)
Profit from operations	42,832	5,424	1,093	1,063	1,236,090	309,647
Other income	-	-	-	-	43,925	6,487
Others	(54,179)	(5,755)	-	-	(299,744)	(231,492)
Other expenses	(11,347)	(331)	-	-	(63,319)	(26,384)
	895,118	3,621	1,093	1,063	(10,254)	1,114
Segment results	895,118	3,621	444,781	333,142	1,225,836	310,761
Finance cost	-	-	-	-	(772,508)	(322,123)
Profit / (loss) before tax	-	-	-	-	453,328	(11,362)
Taxation	-	-	-	-	(96,203)	27,733
Profit for the period	-	-	-	-	357,125	16,371

21.1 Segment assets and liabilities

	Un-audited		Audited	
	December 31, 2023	September 30, 2023	December 31, 2023	September 30, 2023
	(Rupees in thousand)			
	Assets		Liabilities	
Sugar	27,051,990	17,189,004	24,583,109	15,877,806
Ethanol	9,520,140	5,909,171	7,367,338	1,942,447
Total for reportable segment	36,572,130	23,098,175	31,950,447	17,820,253
Others	4,878,202	3,389,559	1,747,203	1,271,924
Total assets / liabilities	41,450,332	26,487,734	33,697,650	19,092,177

21. Transactions with related parties

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

	Un-audited	
	Three month period ended	Dec 31, 2023
	(Rupees in thousand)	
Syntron Limited		
Purchase of store items	213,524	38,804
Syntronics Limited		
Purchase of store items	14,927	89,305
Aziak Enterprises (Private) Limited		
Service	13,236	9,163
Expenses paid on behalf of the Company	1,000	404
Mark-up charged	5,036	0
Phipson & Company Pakistan (Private) Limited		
Expenses paid on behalf of the Company	8	0
Arpak International Investments Limited		
Rent received	0	1,772
Mark-up charged	1,722	9,181
Premier Board Mills Limited		
Rent received	0	0
Mark-up charged	4,063	2,600
Key management personnel / Directors		
Salaries and other benefits	82,851	49,213

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

Company Name	Basis of	Share-holding %
Premier Board Mills Ltd.	Common directorship	0.00%
Aziak Enterprises (Pvt.) Ltd.	----- do -----	5.15%
Arpak International Investments Ltd.	----- do -----	0.00%
Phipson & Company Pakistan (Pvt.) Ltd.	----- do -----	1.07%
Syntronics Ltd.	----- do -----	12.51%
Syntron Ltd.	----- do -----	0.00%

22. Corresponding figures

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

23. Date of authorisation for issue

These consolidated condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Holding Company on February 27, 2024.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER